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Rodeida's Jewish boyfriend

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Meir Kahane votes with coalition

Diluted racism bill passes into law

By ARYEH RUBINSTEIN

Fifteen months after the government submitted its racism bill, the Knesset at midnight last night passed into law a revised bill with which no Knesset group was particularly happy.

The bill managed to unite the two main parties, but only after the Alignment agreed to the Likud's condition that the Alignment support the bill banning unauthorized contact with PLO leaders. That bill was due to be discussed immediately following racism bill.

The vote was 57 against 22, with seven abstentions.

All coalition members voted with the majority, save for Labour's Abdel Wahab Darousha

and Shimon's Mordechai Vinshubski.

Bizarrely, the majority was joined by Meir Kahane, the lone Kach MK, against whom the original bill was conceived.

Many opposition speakers during the debate cited Kahane's proclaimed intention to vote for the bill as evidence of its weakness.

Parliamentary observers felt Kahane meant his vote as a maneuver to embarrass the government and the sponsors of the bill.

The abstentions were cast by Shas and Agudat Yisrael, and by Tehiya members.

The National Religious Party joined the other coalition parties in voting for the bill, while a lone religious MK, Abraham Verdiger of the now defunct Morasha, voted against it.

Thus the opponents were a motley assortment: Darousha, Vinshubski, Verdiger, and the entire left-of-centre opposition.

Several extended recesses succeeded in bringing the two major parties closer to the religious factions, but failed to make a dent in the opposition of Mapam and the smaller left groups. They maintained that the bill made a mockery of the government's professed determination to fight Kach MK Meir Kahane.

The compromise which failed to appease the left opposition groups pertained to two paragraphs. The first tempered somewhat the earlier clause excluding from the law's scope the publication of the matter that aims to preserve the character or uniqueness of a religion.

The second change involves the case of a person in possession of racist material meant for distribution — a crime punishable by one year in jail. Here the clause in the original version, "with the object of promoting racism," was deleted.

However, a similar phrase has been retained in connection with the more serious crime of actually publishing racist matter. The penalty for this is five years imprisonment.

This key-phrase — imposing as it does a heavy burden of proof on the prosecution — is the main element which has watered down the racism law relative to its initial drafts formulated more than a year ago.

(Continued on page 9)

Rises of up to 30 per cent

Oil prices surge as Opec agrees to cut output

Jerusalem Post Staff
World oil prices surged yesterday, following a surprise decision by the Organization of Petroleum Exporting Countries to slash their output by some four million barrels a day, starting September 1.

The agreement, outlined in a communiqué capping a raucous four-day meeting of the international oil cartel, requires Opec to cut its overall production of 16 million barrels a day. The move was a bid by Opec to stem the falling price of oil created by a glutted market.

Of the 13 cartel members, only Iraq was exempted from the cuts to avoid a clash with Iran over production levels.

World oil markets, stunned by the unexpected accord, responded to the news by sending petroleum prices to their highest levels in weeks.

In New York, West Texas intermediate, the U.S. benchmark crude, gained \$1.96 to reach \$15.25 a barrel for delivery in September in

early afternoon trading here. Such contracts had soared 32 per cent in the prior 24 hours.

In London, the spot market price for Brent crude, the most widely traded North Sea oil, opened at \$12 per barrel for September delivery, then shot up to \$15 by mid-morning before falling back to \$14.25 at close. Last week Brent could be had for \$9 a barrel, down from \$30 eight months ago.

The normally subdued summer market in Tokyo was prodded into early action after confirmation of Opec's planned production cut.

The leading marker, Dubai crude, rose to \$11 a barrel from Monday night's closing level of \$7.70.

"The market is hot — there's no doubt about that. But how long can it last?" said one Tokyo trader for an international refinery.

But if there were any doubts about how long the Opec accord could sustain higher oil prices, cartel members on the whole did not show it.

"We are laughing," Saudi Arabian Oil Minister Ahmed Zaki (Continued on page 9)

ANALYSIS

ASHER WALLFISH

Last gasp bid to reconcile religious

The religious angle in the bill prohibiting incitement to racism was modified to some degree at the eleventh hour yesterday, by an alliance between the Alignment faction and Finance Minister Moshe Nissim.

Nissim felt involved in the proposed measure because of his former role as minister of justice.

Both Nissim and Alignment leaders felt that the Likud had gone too far to win the support of the religious factions, for a measure originally conceived as the means to muzzle Kach leader Meir Kahane.

They felt that the draft worked out in the Law Committee the day before — stipulating that material published with the aim of preserving the unique character of any faith could not be considered a violation of the racism law — was so vague as to open loopholes for Kahane and his ilk.

The Alignment threatened to put a spoke in the wheel unless this was changed. Nissim told his Likud colleagues that they should have stuck closer to the government's original concept of the measure.

The draft was therefore altered to ensure that only quotations from sacred writings or material designed to uphold ritual observance would not be considered an offence, unless published with the intent to incite.

Nissim is said to have teamed up with the Alignment among other reasons to ensure its support for the law forbidding meetings with PLO officials, which was slated to have its final reading later in the evening.

Nissim told *The Jerusalem Post* that the reason for his taking the initiative during the day to work out a fresh draft was because he wanted to isolate Kahane from the rest of the Orthodox camp and make it possible for the Orthodox factions to give whole-hearted support to the measure.

Nissim added, though, "I don't think this is a very satisfactory measure, and its importance is basically educational rather than legal. It is a symbol."

The Post heard from members of several factions that they were dissatisfied with the way the proposal had been handled from the very beginning. They also said they had no idea how effective the anti-racism law was likely to be in its application. Kahane told MKs who were willing to listen to him that the latest draft which Nissim and the Alignment had pushed through the Law Committee was very similar to a draft which he himself had proposed and which the coalition had intended to vote down.



Buddhist monks offer prayers to the A-bomb victims in front of the cenotaph at Hiroshima Peace Memorial Park. Today is the 41st anniversary of the bombing of the city. (Reuters/telephoto)

Peres, Shamir differ on role for Soviets in Mideast peace

By BENNY MORRIS

Post Diplomatic Correspondent

A difference of opinion between Prime Minister Peres and Foreign Minister Shamir surfaced yesterday over a Soviet role in the Middle East and Israel's demands on Jewish emigration as the Israeli-Soviet consular talks in Helsinki draw nearer.

Shamir, speaking on Israel TV last night said that if the Soviets reestablish full diplomatic relations with Israel and change their policy on Jewish emigration then Israel would not oppose a Soviet role in "peace diplomacy" in the Middle

East. At the same time, Shamir rejected the notion of an international Middle East peace conference — "with or without Soviet participation."

But Peres, speaking to pupils in Migdal Ha'emek, said that Israel would not oppose Soviet participation in an international peace conference if Moscow restored full diplomatic ties with Israel.

Observers noted that Peres, unlike Shamir, did not link a Soviet role in Middle East talks to Jewish emigration from the Soviet Union, but only to the restoration of full

diplomatic relations, and that Peres spoke of a Soviet role in a full-fledged international peace conference on the Middle East.

Peres, however, added that to play such a role in Middle East peace talks, the Soviets must also cease their anti-Israeli and anti-Zionist "incitement."

Peres defined the impending talks as the "start of a change" in Soviet policy towards Israel.

Israel is awaiting a Soviet response on the exact date of the meeting, which Israel has proposed should

(Continued on back page)

Thatcher casts sole dissenting vote

Commonwealth backs sanctions

LONDON (Reuters). — Commonwealth nations discarded British opposition and agreed on sweeping new sanctions against South Africa at the end of their London summit early yesterday.

British Prime Minister Margaret Thatcher was left a lone voice holding out against the package agreed by the other six leaders, but she said in a radio interview: "The result is reasonable for all concerned and we finished up as friendly as we started. That is good."

The "agreement to disagree" appeared to have left the 49-nation Commonwealth intact, but the British stand provoked bitterness and a hint from Zimbabwean Prime Minister Robert Mugabe of

black African sanctions against Britain.

The sanctions package agreed by the six (Zambia, Zimbabwe, India, Australia, Canada, and the Bahamas), expanding measures adopted by the Commonwealth at Nassau last October, comprised:

- A ban on air links with South Africa.
- A ban on imports of South African fruit and vegetables.
- A halt to bank loans to South Africa.
- Withdrawal of most consular facilities.
- No more imports of uranium, coal, iron or steel.

Thatcher agreed with the six other Commonwealth leaders to ban im-

ports of steel, iron and coal if the 12-nation European Community decided to do likewise.

But she disagreed on cutting air links, banning agricultural imports and cutting back on consular ties.

In South Africa's defiant reaction to the Commonwealth sanctions, Foreign Minister P. W. Botha last night said his country would tighten controls over trade ties with black African states in the forefront of the economic sanctions against Pretoria.

The measures would include import licences, a levy on all goods travelling across South Africa and stricter border controls, he told a news conference.

Botha said international sanctions (Continued on Page 3)

Israel team dismisses Bush's '24-hour breakthrough' Differences still hamper Taba accord

Post Middle East Staff and agencies

CAIRO. — Israel's Taba delegation yesterday rejected U.S. Vice President George Bush's suggestion that a Taba accord could be finalized within 24 hours.

Differences still remain between Egyptian and Israeli proposals for an arbitration agreement, said Israeli delegation leader David Kimche, director-general of the Foreign Ministry.

Avraham Tamir, co-chairman of the Israeli delegation, told reporters that he doubted the current round of talks would be the last.

In Jerusalem, Vice Premier Shamir said there would be no Taba agreement until the Israeli delegation returned from Cairo and made a full report to the inner cabinet.

Only the inner cabinet, could decide finally whether the arbitration issue has been settled, Shamir told the Likud Knesset faction.

An Egyptian spokesman also said

that differences on Taba remain to be ironed out.

The Israeli comments came in reaction to Bush's statement earlier yesterday that an arbitration pact on Taba was nearly in hand.

"Most of the obstacles to agreement have been removed," Bush told a Cairo news conference before leaving Egypt at the conclusion of his 10-day Middle East tour.

Bush disclosed that Assistant Secretary of State Richard Murphy, who had been shuttling between Cairo and Jerusalem to narrow differences over Taba, would stay in Egypt an extra day at the Mubarak government's request.

Bush said the request was made "hoping that the agreement can be hammered out in the next 24 hours."

Bush said an agreement on Taba would "remove a real sticking point" in the overall peace efforts in the area.

On the broader issue of Middle East peace, Bush said he had found

certain "areas of commonality among Israel, Jordan, Egypt and many Palestinians," which created a basis to advance negotiations.

But he said he had the feeling that Syria's attitude was negative. "I have not picked up anything positive about Syria being forthcoming about anything in the peace process," he said.

Reporting on his talks with Israeli, Jordanian and Egyptian leaders, Bush said they had acknowledged the following "points of commonality":

- That lasting peace can be reached only through negotiations;
- Negotiations should produce peace treaties between the parties "based on recognition of the right of all states and peoples in the region to a life of peace and security;"
- That negotiations must take into account the security needs of Israel, all Arab states "and the aspirations of the Palestinian people;"

• The Palestinian question had to be resolved "within the context of a relationship between Jordan, the West Bank and Gaza." This could be achieved on the basis of UN Security Council resolutions 242 and 338, which envisage the exchange of land for peace.

Bush also said the U.S. recognizes that direct negotiations might involve an international Middle East conference in which the Soviet Union would be involved as one of the five permanent members of the UN Security Council.

The form of negotiations should provide for talks between an Israeli delegation and a Jordanian-Palestinian delegation, as well as between Syrian and Israeli delegations, he said.

But when asked whether peace was possible without Syria, he also noted that the 1978 Camp David agreements had been made without Damascus's participation.

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	5.8.86					
	MIN.	MAX.				
	C	F	C	F	C	F
AMSTERDAM	16	41	21	70	Cloudy	
BRUSSELS	16	41	21	70	Cloudy	
BUDAPEST	16	41	21	70	Cloudy	
CHICAGO	14	58	28	83	Cloudy	
COPENHAGEN	16	41	21	70	Cloudy	
FRANKFURT	16	41	21	70	Cloudy	
GENEVA	16	41	21	70	Cloudy	
HONG KONG	27	81	33	91	Cloudy	
JERUSALEM	16	41	21	70	Cloudy	
LONDON	16	41	21	70	Cloudy	
MADRID	16	41	21	70	Cloudy	
MONTREAL	16	41	21	70	Cloudy	
NEW YORK	16	41	21	70	Cloudy	
OSLO	16	41	21	70	Cloudy	
PARIS	16	41	21	70	Cloudy	
SAO PAULO	16	41	21	70	Cloudy	
ST. JEROME	16	41	21	70	Cloudy	
TOKYO	27	81	33	91	Cloudy	
TORONTO	16	41	21	70	Cloudy	
VIENNA	16	41	21	70	Cloudy	
ZURICH	16	41	21	70	Cloudy	

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THE WEATHER

	Yesterday's Humidity	Yesterday's Min-Max	Today's Min-Max
Jerusalem	50	18-27	25
Golan	32	18-22	32
Nahariya	69	23-30	30
Safad	43	19-29	29
Haifa Port	30	24-37	37
Tiberias	51	21-31	31
Nazareth	54	22-32	33
Afula	45	20-30	30
Shomron	63	21-30	30
Tel Aviv	57	23-30	31
B-Q Airport	41	20-38	38
Jericho	71	24-29	29
Gaza	45	22-32	33
Beersheba	17	25-39	40
Eilat			

SOCIAL & PERSONAL

The Jerusalem Rotary Club will hold its luncheon meeting today at 1 p.m. at the Jerusalem YMCA. Visiting Rotarians are welcome.

The Haifa Rotary Club will hold a business meeting in the Nof Hotel at 1 p.m. today.

Peres will talk to PLO, if...

By BENNY MORRIS
Post Diplomatic Correspondent and Itim

Prime Minister Peres yesterday appeared to endorse the "Yariv-Sherutov formula" for Israeli negotiations with the PLO when he implied that Israel would talk to the Palestinian organization if it abandoned terrorism and accepted U.N. Security Council Resolutions 242 and 338.

According to the Itim news agency, Peres told pupils in Migdal Ha'emek: "We will not sit with the PLO so long as it does not accept Resolutions 242 and 338 and does not abandon terror."

He added that there could be no talking to PLO leader Yasser Arafat so long as he is "shooting at us."

A spokesman for the prime minister said last night that he did not remember hearing Peres make these statements.

In the mid-1970s, two ministers in the then Labour-led government, Aharon Yariv and Victor Shemtov, proposed that Labour agree to negotiate with the PLO if the PLO first agreed to recognize Israel (or accepted resolutions 242 and 338) and renounced terrorism.

The Labour Party rejected the formula and it continues to be espoused only by a minority within the party. Most Labour MKs continue to flatly reject negotiations with the PLO.

Thaw with Athens is only partial

Post Diplomatic Correspondent
Israeli officials do not anticipate an upgrading of relations with Greece to full diplomatic relations, but regard as "positive" recent Greek indications of a warming of relations with Israel.

The latest sign is the announcement in Athens this week that a Greek parliamentary delegation will be visiting Israel in October. A Greek deputy minister will also visit Israel, probably early next year, reciprocating a visit to Athens four months ago by Tourism Minister Avraham Shari.

At the moment, the two countries have diplomatic "legations" rather than embassies in each other's cities.

Israeli officials yesterday said that recently Greece has made "small signs" which Israel views positively. "But these are not enough," said one official.

Author Arye Lifshitz

Arye Lifshitz, chairman of the Jerusalem branch of the Hebrew Writers Association, died Monday at the age of 85 in the capital's Bikur Holim Hospital. The funeral was held the same day.

Lifshitz published several collections of stories, and worked for many years in the secretariat of Youth Aliya. He is survived by a son and a daughter. (Itim)

HOME NEWS

Big drop in terrorism

In the first five months of this year the number of Arab terror and sabotage acts went down at least by half, while the number of persons killed or wounded decreased even more sharply, Defence Minister Rabin said yesterday.

Rabin told the Knesset Foreign Affairs and Defence Committee that this fall in terrorist activity was partly the result of Jordan's policy vis-a-vis the PLO and partly the result of Israel's security policy.

The number of terror and sabotage acts would fall still further, Rabin said, if Jordan maintained its policy of hedging in the PLO.

Rabin also said that in south Lebanon, 95 per cent of hostile activity was carried out by Palestinians.

Baha'i budget
Agudat Yisrael's Avraham Shapira, the chairman of the Knesset Finance Committee, refused to process a budgetary allocation for the Baha'i movement in Israel for over six months on religious grounds, it emerged yesterday.

When asked by colleagues on the Finance Committee why he refused to put the allocation proposal from the Treasury onto the agenda, he

KNESSET NEWS

Post Knesset Staff

said he would be executed or even excommunicated if he did anything to assist a missionary faith like the Baha'i. *The Jerusalem Post* was told.

The problem cropped up at the beginning of this year when the Treasury, after negotiations with the Baha'i movement in Haifa, agreed that it would the movement approximately \$1 million in tax rebates of various kinds. The original Baha'i claim was as high as \$10m.

Treasury officials told committee members privately that the Baha'i movement had every right to sue the state for its money, but had decided not to do so on political grounds.

Shapira got involved in an argument yesterday with the Alignment's Haim Ramon, who chaired the committee to put the allocation through

unanimously. The argument did not relate to the delay in voting the allocation, but to whether or not Shapira had deliberately stepped aside to let the vote through, an act which Shapira feared would cause him trouble with Orthodox circles.

Ban the bread
It will be illegal to display bread or bread products for sale during Passover, except in areas populated mainly by non-Jews, under a bill that passed into law on its second and third readings on Monday night.

The bill, presented on its preliminary reading by Avner Shaki (National Religious Party), was now presented by Dov Shilansky, chairman of the Interior Committee, on behalf of the committee. He said that Jews who opposed the bill are consumed by hatred for every Jewish value.

Voting in favour of the bill were the Likud, the religious parties, Tehiya, and Aharon Nahmias (Alignment). Opposed were three Alignment members, Shinnui, and the left opposition.

The law will not apply to kibbutzim and moshavim that bake leavened bread for their own use.

When Egyptians will flock to Israel

By GREER FAY CASHMAN
Jerusalem Post Reporter

If political differences between Israel and Egypt are resolved, Israel can expect a vast influx of tourists from Egypt, according to Egyptian Minister of Tourism and Civil Aviation Fouad Sultan.

Speaking at a press conference yesterday with his Israeli counterpart Avraham Shari at Jerusalem's King David Hotel, Sultan quipped that once the problems between the countries are solved, the flow of Egyptians to Jerusalem will be so great that Israel will complain.

Maurice Cassouto, director of the Israel Government Tourist Office in Cairo, later told reporters that Israel is one of the few countries which Egyptians cannot visit without first acquiring an exit permit from Egypt. Israel has asked for the exit permit to be waived, he said.

From Israel's standpoint, the visit was, in the words of Shari, "very successful." Shari praised the Egyptian delegation for demonstrating "great understanding and goodwill" throughout negotiations that culminated in a joint communiqué on tourism.

Only too keenly aware that an agreement which he had signed last year with Sultan's predecessor had not been implemented, Shari was confident that the same fate would not befall the agreement signed yesterday in the presence of photographers, television cameramen and reporters. Sultan boasted that confidence by declaring the serious intention on both sides to bring goals to fruition.

According to the agreement, delegations headed by the two ministers will meet with ministers of tourism of Mediterranean countries such as Greece, Italy, France, Cyprus and



Egyptian Tourism Minister Fouad Sultan (right) with his Israeli counterpart, Avraham Shari, at a press conference yesterday at the King David Hotel in Jerusalem. (Zoom 77)

Turkey to discuss plans for regional cooperation in promoting tourism. No other Arab countries will be included in this regional cooperation for the time being.

Tourism representatives of Israel and Egypt will meet in the U.S. in September and with airline companies and tour operators to arrange seminars and combined tour packages. The U.S. will be the first target in joint marketing operations, but the promotion campaign, said Shari, will continue from the U.S. around the world to Japan.

Delegations also discussed the introduction of charter flights between Egypt and Israel and the opening of a tourist route between Alexandria and Haifa. Both sides agreed to

appeal to their respective governments to abolish or reduce departure taxes, entry fees and visa expenses for travel between Egypt and Israel.

At a meeting yesterday with Foreign Minister Shamir, Sultan said that progress would be made in increasing tourism to Israel after the signing of the Tabu compromise.

Sultan also said that the solution to the problem of Deir el Sultan, involving the Ethiopian Church's takeover decades ago of the Coptic Church's section of the Church of the Holy Sepulchre in Jerusalem, would facilitate mass Coptic religious tourism to Israel. There are some 7-8 million Copts in Egypt, he said.

Civil Service dispute worsens

By ROY ISACOWITZ
Post Labour Reporter

TEL AVIV. - The dispute over political appointments in the civil service deepened yesterday when hundreds of Employment Service workers from around the country held an emergency meeting to protest the impending dismissal of service head Baruch Haklai.

The meeting ended with the demand that political appointments be rescinded and that all agreements with the Labour Ministry regarding work conditions in the service be implemented. Participants said after the meeting that they would consider industrial action if their demands were not met.

But Labour Minister Moshe Katzav (Likud), speaking after the meeting, reaffirmed his determination to replace Haklai with Herut stalwart David Mena.

"The issue does not concern the workers," Katzav told Israel Radio, adding that the replacement of Haklai after nine years at the helm, would "rejuvenate" the service.

Addressing the protest meeting, which was held at Histadrut headquarters here, Histadrut Secretary-General Yisrael Kessar affirmed the right of ministers to choose politically compatible department heads in government offices. However, he stressed, that does not apply to the Employment Service, which is a national, non-political body.

Kessar and the other speakers maintained that Katzav's proposed replacement of Haklai and of other senior workers by outsiders was an infringement of advance-

ment procedures within the service.

The Labour Party has also taken up the cudgels on behalf of Haklai. Prime Minister Peres has been asked to refer the issue to a ministerial committee on appointments, and Agriculture Minister Arye Nehemkin has been ordered by the Labour ministers to replace Likud appointees under his jurisdiction if Katzav does not back down.

Avi Temkin adds:
Israel has to decide whether it wants its civil service to be built on the British model of a completely apolitical body, or on the American and German ones, where senior civil servants are allowed to be involved in party politics but serve under special contracts, Civil Service Commissioner Avraham Natan said yesterday.

He also said the present system is unhealthy and unworkable.

Commenting on the row between the Likud and Alignment over the Labour Ministry appointments, he said the law empowers ministers to make certain appointments. "Since 1977 ministers have been increasingly dependent on members of their parties' central committees, and once they take office they are forced to appoint committee members to senior posts," he said. This situation must end, he stressed.

Natan said he had appointed a committee headed by Prof. Emmanuel Diner and including MKs Shlomo Weiss and Dan Meridor to study the relations between party politics and the civil service.

Goren blows Temple Mount horn

By MENACHEM SHALEV
For The Jerusalem Post

The newly established "Supreme Rabbinical Council on the Temple Mount," headed by former chief rabbi Shlomo Goren, yesterday called on the government to "erase the disgraceful prohibition against praying" on the Temple Mount and to build a synagogue there.

Some 40 rabbis, many of them associated with Gush Emunim, came to Beit Idra in the Old City to participate in the founding of the new group.

Goren attacked Religious Affairs Minister Yosef Burg, saying: "We have only one problem and that is the religious affairs minister. When we have a minister who

takes care of Jews, and not just of the others as is the case today, then we will be able to pray at our holy site."

Gershon Solomon, of the Temple Mount Faithful, told *The Jerusalem Post* yesterday that the new group, which has decided to register as a legal entity, would constitute "a counterweight to the Supreme Moslem Council, which torments and denigrates Jews by prohibiting them from praying at our holiest site."

After the meeting Goren said that yesterday's statement by the new group constituted a *psak halacha* - an authoritative ruling on Jewish law.

Sources at the Chief Rabbinate would not comment on the new council's "ruling," saying that the matter of prayer on the Mount is a subject of dispute among rabbis.

Trucker suspected of negligence in road disaster

By BARBARA AMOUYAL
For The Jerusalem Post

Police investigating last week's Ta'anachim Road crash asked the Afula Magistrates Court yesterday to extend truck driver Shimon Shukrun's remand for another 15 days.

According to police prosecutors, Shukrun, who was arrested last Thursday, is suspected of criminal negligence and manslaughter in the crash which killed 10 Kibbutz Hef-

ziba members, nine of them teenagers.

Afula Magistrates Court Judge Oded Gershon yesterday ordered police to submit all investigative material by this morning. He will then decide whether to remand Shukrun or release him on bail.

Police prosecutors believe that Shukrun might try to suborn witnesses if released on bail.

Parts of the van and truck that

were not damaged by the blaze that followed the crash underwent final laboratory tests yesterday. Results were transferred to National Police Headquarters in Jerusalem.

Police Inspector-General David Kraus met with Operations Commander Meshulam Amit and Traffic Bureau head Menashe Hadad to discuss the findings. According to police sources, investigators have consulted with prosecutors on the case.



Kids in Arad keep cool with popsicles and music at the town's annual two-day song festival, which ended last night. (Ippa)

British auctioneer ordered to pay debts

By YORAM GAZIT
For The Jerusalem Post

TEL AVIV. - The British auctioneer who failed last week to sell the Shift Hotel chain was barred yesterday from leaving the country until a \$30,000 dispute between him and a Tel Aviv agency is settled.

Jeffrey Port, 52, had set the real-estate market astir for months with his promise of a multi-million-dollar auction. But when the sale was held last Monday, none of Shift's properties found a buyer.

The Peled advertising agency told the Magistrates Court here yesterday that Port owed the firm \$30,000. The court issued an order forbidding the auctioneer to leave the country until the dispute was heard in court and settled.

Port came here from England last November. He moved into the Tel Aviv Hilton's presidential suite and set up an office there.

In January he held a reception at the hotel and announced the establishment of the Israel Auction Mart Ltd.

Named as shareholders were Swiss investors said to be interested in aiding the development of Israel's economy.

Port hired the Peled agency to advertise the auction in the Israeli and foreign press. The contract reportedly required Port to settle his account with the agency by July 1, and when he failed to do so, Peled sued.

It has been learned that a cheque for NIS 40,500 from Port to the agency was returned by his bank in Tel Aviv.

Port said yesterday that he had written to his attorney in London and that the money is on its way.

The owner of the agency said yesterday: "I can't understand how someone who lives in the presidential suite in the Hilton, keeps a staff of four men and drops \$100 bills as tips doesn't have a few thousand dollars to pay a debt."

Pro-PLO cleric appeals against bar on his travel

Jerusalem Post Reporter

The Rev. Riah Abu Asal, the Anglican priest of Nazareth, has appealed to the government to reverse an order barring him from leaving the country for one year.

The Interior Ministry said it had issued the banning order because the priest is a security threat and is suspected of funneling PLO funds to Israel.

At a press conference in Jerusalem yesterday, Abu Asal said he and his colleagues had met with Yasser Arafat and PLO representatives in the past, but only to further peace and understanding between Israel and the Palestinians.

He said that he has appealed to leading church figures such as South African Bishop Desmond Tutu and the Rev. Jesse Jackson in the U.S. to help him in his present predicament.

The 49-year-old priest, one of the top Anglican churchmen in the Middle East Diocese, is also secretary-general of the Progressive List for

Peace. He has met twice with Arafat, the last time in June.

He was handed the banning order last Friday, two days before leaving on a tour of the U.S. and Europe.

A senior Interior Ministry official told Israel Radio's English service last night that the authorities have sufficient evidence to back up their charges against Abu Asal, but that they are not choosing to prosecute at this stage.

At yesterday's news conference Abu Asal denied that he had transferred PLO money to Israel. He said the tens of thousands of dollars that he raised every year came mainly from Christian churches in the U.S. and Europe.

Abu Asal acknowledged that the Anglican church frowns on political activity on the part of priests and said he had not received any backing from his bishop, Samir Kafti. But the bishop was also said to have appealed to the government to rescind the order against him, Israel Radio reported.

A reprieve for Palestinian

By JOEL GREENBERG
Jerusalem Post Reporter

A disabled Palestinian-American living in the West Bank who was to leave the country today because his visa had expired has won a last-minute extension of his permit to stay in the country.

Mohammed Ali Akhras, of Turmus Aya, near Ramallah, was given a permit by the Interior Ministry to stay in the country until August 31, pending a settlement of his case.

Akhras was slated to leave for the U.S. after being released from two weeks in prison for overstaying his visa. Akhras then promised to leave the country followed by his family in return for cancellation of a deportation order issued against him, his wife and children. Repeal of the order allows him to reapply for an

entry visa later.

U.S. consular officials have intervened on his behalf and are seeking a settlement which will allow Akhras and his family to remain in the West Bank. Akhras originally left the area in 1966, and returned in 1975. He was absent during the 1967 census of the area and is not recognized as a resident of the West Bank.

OC Central Command Aluf Ehud Barak yesterday issued administrative detention orders against three West Bank residents suspected of subversive and terrorist activity. Khamis Abu Kishk of the Far'a refugee camp, Muhammad Ali Faraj of the Dehaishe refugee camp and Ibrahim Ali Zahra of the village of Yatta were ordered detained for six months. Security sources said Abu Kishk and Abu Wahba were Fatah activists.

IN PERSON ROY ISACOWITZ

Arab MK: No one can talk for us, not even the 3 Hs

MK Abdel Wahab Darousha refers to the "three H's" that dominate the search for a peace settlement by Prime Minister Peres - King Hussein of Jordan and Hassan of Morocco, and President Hosni Mubarak of Egypt. Though a degree of success has been achieved with each, he says, no amount of "H's" can substitute for the Palestinians.

Darousha, the Labour Party's only Arab MK, holds that nothing can substitute for "dialogue and negotiations with the Palestinians, if peace is to be achieved." Hussein, Hassan and Hosni can act as "big brothers," he says, but they cannot speak in the name of the Palestinians.

Darousha welcomed Peres' recent visit to Morocco, but he maintains that more must be done. Specifically, Darousha is one of the Labour doves calling for the party's platform to be amended to recognize the Palestinians' right to self-determination.

Such a move would be of far more than simply semantic importance, he says. "It would lead to moderation



MK Darousha: "Hussein, Hassan and Hosni can only act as big brothers."

among the Palestinians... and allow us to talk. It is in Israel's interests." Whatever the difference among the Palestinians, the demand for self-determination is common to all, he says. It is also acceptable, he maintains, to Hussein, who fell out earlier this year with PLO chairman Yasser Arafat.

He rejects Peres' contention that recognizing Palestinian self-determination would mean choosing Arafat over Hussein. The opposite is true, he says. The Amman agreement of February 1985, which has not been cancelled despite the Hussein-Arafat feud, speaks specifically of a Palestinian-Jordanian confederation with self-determination. "The dispute between the two," the MK says, "is over how and when, not if."

Darousha's solution is "mutual, simultaneous recognition" by each side. What the Labour Party must do is announce its readiness to negotiate with anyone who "recognizes Israel and renounces terror" and agree to mutual, simultaneous recognition.

The onus would then be on the Palestinians and the Arab world to recognize Israel's right to exist and to accept UN Resolutions 242 and 338, he says.

Darousha has no illusion that Labour is about to change overnight. At the same time, he firmly believes that the party is capable of change and that it will yet come around to recognizing Palestinian self-determination. "Remember when Golda Meir said that there was no Palestinian people and when the party said 'no' to an international conference?" he asks. "Now listen to Peres today?"

The task of the doves, he says, is to "breathe life into the party and free it of the old formulas." The time is propitious. "There is a preparedness in the Arab world to recognize Israel," he maintains. But both sides will have to make concessions if there is to be true dialogue, he says.

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South Africa digs in against sanctions

JOHANNESBURG (AP). — South Africa's currency fell yesterday and a tourist industry official warned of disaster because of new Commonwealth sanctions.

The rand fell from 39 U.S. cents to 38.50 cents as South Africans weighed the impact of the Commonwealth summit in London, where Britain endorsed limited sanctions and the six other participating countries agreed on tougher measures.

One measure Britain accepted was a voluntary ban on promotion of South African tourism, which Fred Therman, the head of South Africa's Hotel and Restaurant Association, described as a "disastrous blow."

Therman said the ban could severely hurt hotels, rental firms and travel agencies already reeling from a sharp drop in foreign tourism.

Helen Suzman, an opposition member of parliament and an anti-apartheid activist, said at a rally in Johannesburg that sanctions would only prompt the government to become more defiant.

"Liberation is not around the corner," she said. "Whites put the government in power and it is up to whites to get them out."

The newspaper *Business Day*, which generally reflects the views of the business community, said sanctions "will make matters worse."

"A government which yields to external coercion loses control of its future, and whites in South Africa fear nothing so much as a loss of control," the newspaper said in an editorial.

"Sanctions, therefore, will ensure that tentative changes of recent years will be replaced by a terrified, and therefore tenacious, resistance to change."

The measures agreed by the other six Commonwealth countries at the summit but opposed by Britain were the harshest yet taken against South Africa.

The Association of Chambers of Commerce of South Africa, in a statement yesterday, described the Commonwealth package as "counterproductive and potentially harmful."

"If the proposed measures do eventually affect South Africa's foreign exchange earnings, then the return to normality which South Africa is seeking in its foreign debt arrangements may well be delayed."

However, Pat Corbin, president of the Johannesburg Chamber of Commerce, said the measures were in essence designed to have minimal impact on the participating countries.

Louis Kriel, chief executive of the Deeds of Fruit Board, said Australia, one of the summit participants, had ulterior motives for backing the ban on South African fruit imports.

"They could only gain competitively by these artificial attempts to bar South Africa, their major competitor, from the international market place," he said.

The Bureau for Economic Research at Stellenbosch University said in a report yesterday that confidence in the South African economy has fallen to its lowest level since World War II

and suffer sanctions were likely to increase the strain on the nation's resources.

The research unit said South Africa's inflation rate was unlikely to drop below an average 17 per cent for the current year.

Convinced that broader economic sanctions are now inevitable, South African businessmen and bureaucrats are devising an array of strategies to soften the impact.

Much of the preparation is covert, but the basic tactics are clear — to increase self-sufficiency in embargo-prone industries and locate alternative markets, through intermediaries if necessary, for exports banned by countries imposing sanctions.

Some examples of the steps being taken:

• Fred Bell, formerly chief executive of the Armscor Weapons Procurement Corporation, is widely, although unofficially, reported to have been placed in charge of the overall sanctions-busting operations.

• The government and private firms are stockpiling oil, strategic minerals and other key imports. Analysts say this explains why imports rose from \$4.4 billion in the first six months of 1985 to \$5.2 billion in the same period this year, despite falling oil prices and a troubled domestic economy.

• State-run South African Airways, threatened with the loss of landing rights in the U.S. and Europe, is reportedly drafting contingency plans to lease some of its planes to friendly neighbouring states to fly under their colours.

There is a general consensus in South Africa that the economy could endure tougher sanctions with little trouble for a few years, possibly even enjoying a boom as local manufacturers filled the gaps created by the loss of some imports.

Over a longer period, however, many experts see sanctions leading to economic stagnation.

Among the exports likely to be hurt by sanctions are fruit and coal, both of which have major markets in Western Europe. Coal companies — already suffering from embargoes by France and Denmark — say 40,000 of the industry's 110,000 miners could lose their jobs.

However, gold, diamonds, platinum and uranium — which constitute about half of South Africa's exports — are assumed to be marketable under any circumstances because of their high value and relative scarcity. Share prices in these industries have been rising as investment experts predict they will prosper.

The government's Bureau for Information said the 24-hour period ending at daybreak yesterday marked the second day in a row with virtually no political unrest. However, in an incident not classified as unrest, a family of seven, including five children, was burned to death when their shack in Westonaria, south-west of Johannesburg, was set afire by unknown assailants, police said.

In northern Natal Province, police said four men and two women were shot dead in fighting on Monday between two Zulu tribal factions.

Syrian troops patrol Beirut Shi'ite suburbs

BEIRUT (AFP). — Tension rose along the uneasy and virtually sealed demarcation line between Moslem West and Christian East Beirut yesterday, after mortar fire at one crossing slightly injured six people.

But a new calm held in crowded Moslem southern suburbs which have a population of about half a million, after Syrian and Lebanese troops moved in on Monday to enforce new security.

Some 800-900 soldiers and gendarmes — including 200 Syrian soldiers — had been expected, but the actual total appeared smaller.

Meanwhile, fires raged in South Lebanon yesterday after guerrillas pumped more than 20 rockets into a position held by the South Lebanese Army, security sources said.

They told Reuters that Lebanese guerrillas used Soviet-made Katyusha rockets to hit the S.L.A. position at Ayshiyeh, about 15 km. north of the Israeli border, inside the security zone.

There were no immediate reports of casualties, the sources said.

PLO leaders meet Greek and Egyptian officials

ATHENS. — A senior Palestinian official held talks yesterday with Public Order Minister Antonis Drossosyannis on countering terrorist activities in Greece by dissident Palestinians, government sources said.

The sources, speaking on condition of anonymity, said Abu Iyad Salah Khalaf, security chief for the PLO's Fatah group, discussed the June 9 killing of a Palestinian outside a central Athens hotel.

The murdered Palestinian was identified as a member of the Marxist Democratic Front for the Liberation of Palestine (DFLP), considered the most pro-Soviet of the Palestinian groups and least opposed to Arafat.

"Some Palestinians living in Greece who don't belong to the PLO are suspected of having links with terrorist organizations," the source said.

Meanwhile, Egyptian Foreign Minister Esmat Abdel-Maguid held talks yesterday with Abu Jihad Khalil Al-Wazir, deputy military chief of the PLO, foreign ministry officials in Cairo said.

Abu Jihad was expelled from Jordan last month when King Hussein closed 25 Amman offices of the PLO's Fatah group.

Cairo has said it is trying to narrow the rift between Arafat and the Jordanian monarch. (AP, Reuters)

Hussein to Egypt for talks today

CAIRO (Reuters). — Jordan's King Hussein is due in Alexandria today for talks with Egyptian President Hosni Mubarak, official sources said yesterday.

They added that Hussein will leave Egypt on the same day.

The talks follow Vice President George Bush's Middle East tour, and will be the first meeting between the two leaders since Hussein's crackdown on the PLO's Fatah faction.

Hassan message to Arab leaders

RABAT (AP). — King Hassan II has sent a message to other Arab leaders defending his talks with Prime Minister Shimon Peres, the Moroccan news agency Map said on Monday.

Hassan called his meetings with Peres "simply exploratory," and said they were an attempt to "restore movement" to the Fez plan adopted four years ago by the Arab summit, the agency said.

The Fez plan traded implicit recognition of Israel for the creation of a Palestinian state and Israeli withdrawal from occupied Arab territories.

The agency said Hassan also said he met with Peres out of a desire to move political debate in the Arab world away from "more or less fundamentalist interpretations of its religion, Islam," restoring the highest priority to the Arab-Israeli conflict.

"The Arab world has never in its history had to confront differences so dangerous as those that exist now," Hassan said.

The king's message reportedly was sent to Arab leaders several days ago.

Iranians uncover coup plot

TEHERAN (Itim). — Religious leaders in Iran said yesterday that they have uncovered a plot to instigate a coup in Iran, according to the Iranian newspaper *Al-Badr* said.

The leaders said that they now plan to carry out purges of the military, government and various civilian groups, according to the report.

The newspaper added that the coup plans involved both civilian and military men, who wanted to appoint an exiled political leader as president.

COMMONWEALTH SANCTIONS

(Continued from Page One)

against South Africa would have catastrophic results for millions of blacks inside and outside the country.

He acknowledged the South African measures would hit Zimbabwe and Zambia, which are both heavily dependent on South African trade and transportation facilities.

The levy had been introduced particularly because of the headline pro-sanctions attitude of these two states and would make them "put their money where their mouth is," Botha said.

Botha said there are ways and means to circumvent sanctions, "but even if we cannot...we are prepared to accept a lowering of our standards of living...we are prepared to make sacrifices we believe in."

The leaders of Zambia and Zimbabwe accused Thatcher yesterday of being an ally of apartheid and threatened black African retaliation against Britain for refusing to take full sanctions against Pretoria.

Speaking after the summit meet-

ing ended, Zambian President Kenneth Kaunda said that the degree to which Thatcher found herself isolated on sanctions had persuaded him against quitting the organization.

"Mrs. Thatcher cut a very pathetic picture at that summit," he told reporters, adding that he held out hope President Reagan would be quicker to alter his position on using economic sanctions to force South Africa to end its racist policies.

Kaunda, Zimbabwe's Robert Mugabe and Rajiv Gandhi of India, speaking at separate news conferences, accused Thatcher of putting economic interests above human rights. "So long as she stands like that there's no way I can describe her apart from saying she is kissing apartheid," Kaunda said.

Despite the public acrimony, Commonwealth officials insisted that the grouping privately maintained its familiar atmosphere, even towards Thatcher. "We will go on calling her Maggie," one Indian official joked.



Thousands of homes were flooded yesterday as the Sakagawa River burst its banks after torrential rains brought by a typhoon swept across central and northern Japan. There was a record 432mm. of rain in many areas and 14 people were killed. (Reuters teletype)

FOREIGN NEWS IN BRIEF

Karpov resigns adjourned chess game

LONDON (Reuters). — World chess champion Garry Kasparov won the fourth game of his title match against challenger Anatoly Karpov. Karpov resigned the adjourned match without resuming. He was a pawn down in a hopeless end game, analysts said.

Kasparov now leads the 24-game match by two and a half points to one and a half.

Stolen Picasso uninsured, art minister says

MELBOURNE (Reuters). — "Weeping Woman," a \$1.2 million painting by Pablo Picasso was stolen this week, was not insured, Victoria's State Arts Minister Race Mathews said yesterday.

A group calling itself Australian Cultural Terrorists claimed it took the 1937 oil painting, which was noticed missing from the Victoria National Gallery on Monday.

Ransom notes from the group said it would destroy the painting in seven days unless the state increased its \$36-million a year arts budget by 10 per cent.

111 Gurkhas cashed after brawl LONDON (AFP). — The British army has cashed 111 Gurkha soldiers, including 81 Falkland veterans, after a brawl in Hawaii, the Defence Ministry has announced.

The Gurkhas, recruited from Nepal, have been drummed out for refusing to cooperate in an inquiry after two officers, one English and one Gurkha, were beaten up by unidentified soldiers during a social event at a military base in Hawaii.

Labour opposition MP Kevin MacNamara called the punishment a "throw-back to the Victorian era."

Twenty-five Kurds sentenced to death ADANA (AP). — A Turkish military court yesterday sentenced 25 Kurds to death and 25 others to life imprisonment for killing 168 people, the Hurriyet news agency reported.

The court ended the mass trial in this southern Mediterranean city by handing down 230 additional jail terms ranging from one to 24 years and acquitting 284 others, the agency said.

Prem named to head new Thai gov't BANGKOK (AFP). — Prime Minister Prem Tinsulanonda was officially named to form a new Thailand government here yesterday, nine days after general elections July 27.

The royal command appointing Prem, 65, was given by King Bhumipol Adulyadej to Parliament President Ukrit Mongkolkeha, ending a process which began when Prem dissolved parliament on May 1 to call snap elections.

None of the 16 parties which contested the elections won a majority in the 347-seat parliament, leaving Prem unchallenged.

Test ban moratorium expires today, Soviets mum about extension

MOSCOW (Reuters). — The unilateral nuclear test moratorium implemented by the Kremlin a year ago probably set back Soviet military progress but provided some political rewards, Western diplomats said yesterday.

The moratorium, in effect since the 40th anniversary of the atomic bombing of Hiroshima last August 6, is due to expire today.

Diplomats said an extension of the pause in testing could hinge on Moscow's evaluation of its need to match President Ronald Reagan's "star wars" missile defence programme.

But they added that Kremlin chief Mikhail Gorbachev's drive to renovate the Soviet economy and a campaign to portray Moscow as leading world efforts for peace would work as a brake on attempts by the military to push for a resumption of tests.

Gorbachev, who has already prolonged the moratorium three times, pledged last month to consider its further extension. But he linked his decision to Washington's reply to his latest arms control proposals, contained in a letter from Reagan.

Although the Soviet leader has yet to comment on the content of the letter, received 10 days ago, U.S. press reports say Reagan offered to share star wars technology with Moscow after five more years of U.S. research and testing.

Deployment of the system, formally known as the Strategic Defence Initiative (SDI), would be put off for 7½ years.

DM50,000 reward still unclaimed BONN (AFP). — A West German man will pick up 50,000 Deutschmarks (\$24,000) and could get hundreds of thousands more — for giving information leading to the arrest last Saturday of Eva Hauke-Frimpong, a suspected member of the outlawed Red Army Faction.

Hauke-Frimpong, 32, was on a list of 18 most-wanted suspected terrorists who each have 50,000 marks on their heads.

Police said that the informant, who has not been identified, could claim a considerably higher reward if the two murder counts laid against Hauke-Frimpong are proven.

Kremlin could beat U.S. forces, seize Gulf

WASHINGTON (Reuters). — U.S. troops performed well in simulated Middle East combat against a mock Soviet force last week but they probably could not defeat a determined Kremlin drive to seize Gulf oil fields, Pentagon officials say.

The 35,000-man exercise, code-named Gallant Eagle, tested army, marine corps, air force and navy units of the Defence Department's Central Command in the blistering heat and choking dust of Southern California's Mojave desert, which officials said closely resembled likely Middle East battlefields.

Marine General George Crist, who heads Central Command, said the exercise had gone well, with the service branches working smoothly together as jets dropped real 227kg. bombs, artillery blasted away at mock Soviet tanks, and U.S. troops in desert camouflage garb launched counterattacks.

A secretly-activated "war pool" of reporters, including one from Reuters, observed the maneuvers in a test of Pentagon procedures for taking the news media along in a real war.

"It will take that long for the Americans to deploy SDI in any event," one Western military expert in Moscow commented yesterday.

"The Soviets may consider they can hold off on testing as long as they can limit deployment. They might have had a head start when they implemented the moratorium, and their present capabilities do not absolutely demand new nuclear tests."

"But they are uncontestedly falling behind if they wish to develop their own SDI system. The Americans do not hide the fact that their tests are linked to development of a nuclear laser destined for use in space."

Western experts believe Moscow has a ground-based system capable of attacking targets in space but not the technology needed to match SDI plans to deploy space weapons.

Soviet officials, who have condemned star wars, view a total test ban as a crucial step in halting work on SDI.

But the U.S. has rebuffed Soviet calls to join the moratorium on the grounds that the tests were needed for the U.S. deterrent and problems of verification remained. It has conducted 14 tests in Nevada since the Soviet freeze began.

Western diplomats say Gorbachev will not have to weigh the political benefits to be gained by refraining from nuclear testing against the military cost of extending the moratorium.

Kremlin could beat U.S. forces, seize Gulf

If Central Command were called upon to prevent an actual Soviet move into the Middle East, things might not go as smoothly as they did in the exercise, Crist admitted at a briefing in his headquarters tent.

If Moscow decided it was willing to pay the price in casualties to seize Middle East oil fields, it could probably roll over any Central Command force which stood in its way, a Pentagon Middle East specialist told Reuters.

Faced with defeat in such a situation, Washington would be faced with the decision of whether to use nuclear weapons, other Pentagon analysts said.

That prospect is sobering to Defence Department planners, who said in interviews they expected a Soviet drive to seize the oil fields in the event of any major war.

They said Kremlin troops in the Soviet southern region, facing Iran and Turkey, had been reorganized from a defensive army into a major offensive force of some 384,000 troops, 5,400 tanks, 5,600 artillery pieces, 9,000 armoured personnel carriers and 1,000 tactical jet aircraft.

It was unclear how many troops a U.S. Central Command force might have, if Arab states requested it defend them. But the Americans probably would be heavily outnumbered, the Pentagon expert said.

Washington's chief hope of success in a Gulf face-off with the Kremlin would be to rush Central Command to the area quickly, as a crisis was building, thus deterring the Soviet Union from driving into the region, Pentagon officials said.

Critics of this strategy say the Central Command might exacerbate a Middle East crisis simply by deploying in the area, and might increase risks of nuclear war if combat flared and the Americans faced annihilation.

"It ain't easy," Gen. Crist said.

But he rejected suggestions that his force, an outgrowth of the Rapid Deployment Force set up by President Carter, was not a credible deterrent to Moscow. "Central Command is no paper tiger," he said. "This tiger has bone, muscle and sinew."

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Powerhouse policewoman to help guide Shin Bet probe

By BARBARA AMOYAL
For The Jerusalem Post

Following today's High Court decision on the General Security Services pardons, Police Inspector-General David Kraus will open what many in the force have described as "one of the least complicated, but most politically explosive" investigations in police history.

While attention will undoubtedly focus on Kraus and the suspects and witnesses his assistant Deputy Commander Zacharia Banai intends to question in the GSS probe, a behind-the-scenes powerhouse will be pushing the papers that indirectly guide the investigation.

Deputy Commander Hanna Hirsh, Israel Police Ministry and police legal adviser, has been charged with devising ways to ensure secrecy in the sensitive police probe. Her earlier attempts to secure an across-the-board publication ban on all investigative material was foiled by a Jerusalem district court judge's insistence that her legal opinion be accompanied by that of Attorney-General Yosef Harish. Harish re-

cognized the difficulties of securing such a ban, and asked Kraus to come up with other means of preserving secrecy "that will stand up in court."

Kraus's, and ultimately Police Minister Haim Bar-Lev's, goal is to conduct the probe in complete secrecy. Kraus intends to use this investigation to prove once and for all that a police probe can be conducted without leaks. Bar-Lev intends to prove to political friends and foes that the investigation will proceed on a professional level with no political intervention on his part. According to Bar-Lev, any leaks to the press will come from political sources who, for obvious reasons, are interested in tainting the investigation and those asked to testify in it.

Hirsh, who with 24 years' seniority is the highest-ranking woman police officer in Israel today, sits directly across the hall from Kraus on the fifth floor of National Police Headquarters in Jerusalem. Suspects and witnesses will have to pass her door on their way to the special section set up for the GSS investigation; a wing adjacent to Kraus's office which will be monitored 24-hours-a-day by an



Deputy Commander Hanna Hirsh

(Brian Hendler)

armed guard.

Kraus has turned to Hirsh for acceptable means to bar publication of police findings. Hirsh, who is

considered one of the most closed-mouthed, unlikely sources of police leaks, refused to elaborate on plans to guarantee secrecy. "I didn't agree

to this interview so that we would discuss the GSS affair," an insistent Hirsh warned this reporter.

After all her years with the police, Hirsh is still surprised to receive phone calls from the press at her Jerusalem home. "How did you know about me?" she modestly asked *The Jerusalem Post*.

Hirsh, who prefers obscurity to the limelight, takes on an entirely different persona at her weekly briefings with Bar-Lev and at the monthly meetings of the senior police command. She usually sits close to Kraus and feels free to interject comments—no matter how displeasing they may be to high-level officers—on subjects she believes deserve her legal expertise. Hirsh has been known to argue her point with skillful force, and usually succeeds in convincing her superiors to accept her views.

Likewise, Hirsh is a dominant figure in Knesset chambers. A frequent visitor of the various Knesset committees, Hirsh has often dismissed the legal arguments of even the most legally qualified MKs. At a

recent Knesset Law Committee meeting, for example, Hirsh patiently spelled out the police arrangement in the territories to an intransigent Shulamit Aloni.

Hirsh, and her staff of six lawyers, two secretaries and one assistant, deals with complaints against police that may reach the High Court, as well as fiscal and policy matters in which the police may be sued by civilian parties.

Like any other ministry legal adviser, Hirsh's opinions are always subject to scrutiny and interpretation by the attorney-general. As in the recent request for an inclusive publication ban on the GSS affair, her opinions may be rejected outright.

"It's my job to convince the attorney-general to adopt the police position on legal issues," says Hirsh. "I don't always succeed, but it would be negligence on my part not to try."

After 24 years with the police, Hirsh has many admirers and detractors. "Hirsh is not very easy to get along

with, to say the least. She has always rubbed me the wrong way," a retired senior officer who once served as Hirsh's boss in the police legal department told *The Post*.

Hirsh joined the police force following graduation from Tel Aviv University Law School and a short internship with the Tel Aviv District Prosecution.

"In those days, I only had four options regarding university study: law, accounting, economics and political science. I chose law and I'm very satisfied with the way events have turned out," she says.

Hirsh, like any career-oriented woman, had to learn to juggle professional and family life. Her two sons, Arnon, 24, and Dori, 26, grew up with working parents. "It was a lot harder when the children were younger," says Hirsh. "But I got lots of cooperation and encouragement from my husband Shaul," who is an economist.

"It's not always possible, but I've learned to at least try to manage things so that when I'm at home, work doesn't exist and vice versa," says Hirsh.

IN BRIEF

Haifa murder suspect

HAIFA (Itim). — Police yesterday detained 28-year-old Atz Mahmud of Haifa on suspicion of murdering his father-in-law, Eliyahu Cohen. Cohen was found dead in his Haifa apartment on Monday afternoon.

A police representative told the Haifa Magistrate's Court that the two men had been on bad terms since Mahmud married Cohen's daughter.

The court ordered a polygraph check of the suspect's alibi and remanded him into custody for seven days.

'Plot for upheaval'

TEL AVIV (Itim). — The Histadrut's Likud faction leader, MK Ya'acov Shamai, claims that Labour has a detailed plan to cause total upheaval in the economy after the rotation and to topple the Shamir government.

Speaking in Even Yehuda yesterday, Shamai said that the Histadrut is working hand-in-glove with the Labour Party to draw up a wage deal that would be effective for only one year and would ignore the workers' true needs.

"At the beginning of 1987," Shamai stated, "the Histadrut will then rock the country with a huge wave of labour disputes."

Edomite shrine found

Jerusalem Post Staff
TEL AVIV. — New archeological evidence of the struggle between Judea and Edom in the 6th century BCE has been found at an Edomite shrine at Horvat Kimitit, about 10 kilometres south of Arad. The site was discovered in 1979 by a Tel Aviv University team headed by Dr. Yitzhak Beit-Arieh and excavated over the past two years, a university spokesman said yesterday.

According to Beit-Arieh, the shrine provides additional archeological evidence to support Biblical references to the Edomite conquests of parts of Judea. Edom is described in the Bible as the eternal enemy of Israel and was conquered by King David around the 10th century B.C.E.

School guard duty is often a farce

By LEA LEVAVI
and ARYEH RUBINSTEIN
Jerusalem Post Reporters

"Whenever I sit on guard at my kid's school, I wonder what I'm doing there, because any terrorist who meant business wouldn't be afraid of me," one mother said yesterday when she heard that the Knesset Education Committee favoured ending the obligatory guard duty by parents at their children's schools.

"Someone who could call out a warning may be a deterrent to an amateur terrorist," she continued, "but I'm sure a professional wouldn't be stopped."

The Knesset yesterday extended for one more year regulations authorizing the education minister to call on parents for guard duty at their children's schools but only in emergencies.

At an earlier meeting of the Education Committee, strong support was expressed for Benny Shalita's (Likud-Liberal) argument that such guard duty was both ineffective and unnecessary.

However, police and army representatives persuaded the committee that it was important to retain the regulation for use in emergencies.

Another mother, formerly a teacher, recalled a stint of guard duty on the last day of the school year at the Gymnasia Herzliya. "At that time, boys from the military academy attended the Gymnasia. A large group of boys wearing jeans came into the school and I

wondered how I was supposed to distinguish a bona fide pupil from an unwelcome outsider sneaking in among the crowd. My teacher's sense of smell helped me pick out two boys who were not pupils. But they turned out to be workmen's helpers with legitimate business at the school."

One mother was known to have sent her secretary to do guard duty in her place. "Mothers and secretaries would be all right," Moshe Mizrahi, co-chairman of the National Parents Association, said. "But some parents send grandma and grandpa. Others don't bother to come at all, and neither the local authorities nor the principals take any action against them."

"Guard duty by parents could be of some use if everyone took it seriously," Mizrahi said, "and if the parents really patrolled the school grounds as some of us do. If they sit and read newspapers or knit, or send elderly substitutes, it's pointless."

A teacher said that parents' guard duty served a purpose, and she would not have recommended ending it. "I don't say it is an ideal solution. But at the same time, I think it is important psychologically. It has some deterrent value, and more importantly, it gives children the feeling that someone is watching over them."

In her experience, parents do take their obligation seriously, and find someone to take their place or change days with other parents, if they cannot come.

Jordan tightens passport controls in the areas

By JOEL GREENBERG
Jerusalem Post Reporter

Jordan has taken more direct control of renewing passports for residents of the territories, in a further move to increase its influence in the area, according to Palestinian sources.

Under instructions from Amman, Jordanian passports are no longer renewed by Jordanian-paid officials at local chambers of commerce, but at offices directly subordinate to the Jordanian Waqf (Religious Trust) Ministry — local Islamic courts and local Waqf offices.

The move has been officially explained as designed to eliminate a 2 dinar duty that had been charged for the renewal service at the chambers of commerce.

LOTTO. — The winning numbers in yesterday's national lottery draw were 11, 17, 20, 27, 29, 32 and the additional number, 18.

Help through the muddle for a few new immigrants

By CHARLES HOFFMAN
Jerusalem Post Reporter

The Housing Ministry has agreed to review cases of immigrants who found themselves worse off under the new mortgage scheme introduced in June than they were before, according to the Association of Americans and Canadians in Israel.

AACI official Ira Cohen told *The Jerusalem Post* that this was agreed to in a recent meeting attended by senior Housing Ministry official Amnon Ashuri, representatives of the AACI and the British Immigrant Society, the Jerusalem director of Bank Tefahot and Werner Lovai of the Anglo-Saxon Real Estate company.

Cohen stressed that the ministry agreed to review only individual cases, refusing to consider changing the regulations that had created the hardships.

The following types of cases will be reviewed by the ministry, after referral by the immigrant associations:

- There are restrictions on the size of flats that may be purchased with government housing loans, which are scaled according to family size. Due to more stringent criteria and procedures for measuring the size of the flats introduced by the ministry, many people who were waiting for months for the new mortgage scheme, suddenly found that the flat they had sought to buy was over the limit.

For example, a family of four gets the full government housing loan for a flat up to 85 sq.m., which previously did not take into account the area of open porches or terraces. Now the ministry requires that this area be included as well, which lowers the amount of the loan the family may

receive if the total area is pushed over the 85 sq.m. mark.

- The mortgages provided for seniors (men over 65 and women over 60) are lower than those offered to younger immigrant couples. The new mortgage scheme has restricted seniors' housing rights even further by lowering the size of the flat that may be purchased with the loan and by changing the age of eligibility.

The maximum flat size for senior couples has been lowered from 100 sq.m. to 85 sq.m. If the flat exceeds this size, then the couple does not qualify for any government mortgage. This flat is of course also subject to the more stringent criteria for calculating the area of a flat.

- Previously, newcomers were entitled to the larger non-senior mortgage if they came to Israel before age 65 (men) or 60 (women). Now the age of eligibility is determined by when the flat is purchased, not the date of immigration. So under the new rules, if a couple makes aliyah at age 58 and buys a flat at age 62, they get the smaller mortgage for seniors.

- The "mixed couple" category of a newcomer and a veteran who has not served in the army gets a smaller loan in some cases than that provided for a single immigrant, under the new point system introduced to calculate the eligibility of the veteran partner. This holds even if the lack of army service was due to medical reasons.

The ministry has agreed to provide higher loans for couples where the veteran partner did national service, if this was outside the person's hometown.

Obstacles block firefighters

TEL AVIV (Itim). — Firemen called in the early hours of yesterday morning to extinguish a blaze in a 15-storey building in Ramat Aviv Gimel had to battle not only the flames but the residents' discarded furniture which blocked all escape passages.

"People who ignore safety regulations are taking their lives in their hands," said Tel Aviv Fire Chief Aharon Eshel. He said that precious time had been wasted while firemen

had to move the tenants' old possessions and break open locks of doors to the roof.

The fire broke out at 1:30 a.m. in an eighth-floor apartment on Rehov Ben-Yosef. It took almost three hours to extinguish.

The blaze is believed to have been caused by an electrical fault. Extensive damage was caused to the apartment and to the emergency staircase.

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GIVE SOLDIERS LIFTS

Taxis are but a mirage

The biggest fraud in Tel Aviv is the claim that there are taxis in the city. That ranks right up there with the hacks' claims that they can't make a living, because government-imposed expenses swallow up the revenues.

To a person trying to find a cab, it would seem the reason the cabbies don't make a living is because they don't work.

During most of the day and night, taxis cannot be found in Tel Aviv — neither by calling one of the companies that run fleets, nor by standing on a corner and waiting for an empty cab to go by. Residents often are forced to use their cars to go downtown, because they know that it is futile even to try to order a cab.

And if you do find a cab, more often than not the driver does not know how to get where you want to go. Few of the drivers carry street directories — or have heard of directories.

Directories should be mandatory in every cab in Tel Aviv and the towns bordering it, where there are some 6,500 individual streets, according to Shlomo Karniel and Hava Gordon.

The two recently published a NIS 20, 288-page book, which is the latest directory of Tel Aviv, Bnei Brak, Bat Yam, Givatayim, Holon, Ramat Gan and Ramat Hasharon. The book contains maps, street indexes and listings of parking lots, schools and movie theatres and institutions.

Cab companies like Balfour, Kastel, Shekera, and others have as many as 100 drivers on their books — and privileged parking slots stretching half a block or more on traffic-crowded streets. But they rarely have a driver available to take a passenger who doesn't want to go at least to Netanya.

The drivers claim their insurance costs them thousands of dollars a year. According to the Sahar Insurance Company, compulsory liability insurance for a cab that carries five or six passengers is NIS 851 a year.

Third-party insurance, which drivers are also required by law to have, adds another NIS 207 a year. The license to run a cab is NIS 5,500, but that's a one-time payment.

The claim that the vehicles cost a fortune is also exaggerated. Cabbies, unlike owners of non-commercial vehicles, are allowed to use cars that operate on diesel fuel, which is far cheaper than petrol.

And for those who believe that the cars themselves — Mercedes or top-of-the-line Peugeots — are as absurdly expensive as any new automobile here, it's worthwhile taking a look in the Levi Yitzhak directory, which lists vehicle prices.

A seven-seater 1980 Mercedes 300 with a 3000 cc diesel engine, costs



NIS 13,900. A 1985 model, is of course more expensive, NIS 39,000, which is a lot — and the same, according to the classifieds section of one of the European car magazines, as what the car would cost in West Germany. Taxis are tax-free here.

In the U.S., by the way, Cadillacs are not used as taxis, and drivers work 12-hour shifts. Even the Israelis among them. They also don't earn \$5 for a seven-kilometre trip.

Some of the older drivers have decided that it's not worthwhile to work. Shimonson claims that he loses money when he takes NIS 12 for a trip from downtown Tel Aviv to Petah Tikva on a Friday afternoon when there's almost no traffic.

But when he learns his passenger was once a cabbie, he admits that the ride back to Tel Aviv — if he can find a passenger — is all profit, especially if he can do it without the running meter.

Coming back, one of Shimonson's colleagues demands NIS 17, "because there aren't any buses on Friday night," says the driver, pleased with his monopoly.

The authorities could take some action. Tel Aviv could be flooded with cabs, and the competition might spur some of the drivers to hustle a little more.

It turns out that only 1 per cent of the vehicles that drive through Tel Aviv daily are taxis.

According to the Transportation Ministry, there are 4,000 taxis in the Dan region.

City Hall's favourite claim about Tel Aviv's older taxis is that the formidable number of 400,000 vehicles making their way through the city daily.

If there were an additional 5,000 taxis in the metropolitan area, many thousands of those 400,000 drivers could park and use taxis.

Some 800 applications for new licences were made in April, but it takes a year to process them.

Stringent prosecution of cabbies who stop for passengers, then refuse to take those passengers where they want to go, or demand payment without using the meter, would be helpful.

Of course, Mayor Shlomo Lahat, Transportation Minister Haim Korfu and Tel Aviv police chief Gabi Amir all have drivers available to them 24 hours a day. When was the last time they waited an hour and a half for a cab? Let alone a bus.

MUSIC REVIEW

Rich, even on the radio

Upper Galilee Chamber Music Days, 1986. (Kfar Blum — August 3). Bach: Brandenburg Concerto No. 1; Partita "Agade"; Beethoven: String Quartet op. 18, No. 3; Mozart: Clarinet Quintet in A, K. 581.

MERCIFULLY, only 15 minutes were wasted at the opening of the festival by speeches to satisfy the egos of some of those involved. Unfortunately, I was not able to enjoy the proceedings on the spot, but, like thousands of other Israelis, had to listen to them on *Kol Hamusika*. And what a treat it was!

Technical transmission was excellent. Announcer Hayuta Dvir's repeated announcements and explanations, delivered in rather patronizing tones, became tiresome after a while. But the music offered was of the highest standard.

The Bach Concerto was fresh and lively, performed by 11 musicians — they even found a harpsichord player in Metulla. There was a respectful presentation of Partos's "Agade" as representative of Israeli music; written in serial technique, allegedly containing Oriental elements, with an elaborate collection of percussion instruments that emitted only moderate sounds. (Jossi Gutman, viola; Idith Zvi, piano, Gene Cipriani, percussion).

The Israel String Quartet (Tuneh, Markus, Steinberg, Kaganovsky) contributed a smooth and lively performance of the Beethoven Quartet,

and collaborated equally well, often brilliantly, with clarinetist Eli Eban in the heavenly Mozart Quintet.

It was a rich and exhilarating experience, even over the radio.

AFTER THIS highly promising start, Monday's broadcast was a dismal failure. Due to "technical difficulties," the first half of the concert did not come across at all. What was broadcast was Schubert's String Quintet in C, the performance of which was less than satisfactory (although the audience at Kfar Blum apparently thought otherwise). This work — perhaps the greatest and most beautiful music ever written — can only be given all its worth by five very experienced, wise and mature artists. Notes are not enough and, with the best will in the world, the spirit cannot be grasped in a few rehearsals. It was, of course, nice to introduce three young Israelis to this work (Ora Shiran, Eliav Priel and Raz Cohen; the others being Atar Arad and Catalin Ilea-Meier), but the results were far from matching the demands of this heavenly music, which only the best should touch.

The first part of the programme, that radio listeners were deprived of, consisted of the Rossini Quartet for flute, clarinet, horn and bassoon, and the Bartok sonata for two pianos and percussion.

YOHANAN BOEHM

Ramle Aids spreads fear

By MENACHEM SHALEV
For The Jerusalem Post

The discovery that three prisoners in Ramle prison are carriers of Aids antibodies has spread concern throughout the country's prison population.

But during the past year, the course of the disease in Israel appears to have been arrested, at least for the time being, according to a Health Ministry spokesman.

The three prisoners, long-time intravenous drug-users, are not classified as suffering from Aids, although two of the three are showing early symptoms.

Carriers of Aids antibodies have been exposed to the acquired immunodeficiency syndrome virus, although they have not contracted it and may be free of symptoms all their lives. They may, however, infect others through sexual contact or blood transfusions.

There are an estimated four million carriers of Aids antibodies in the U.S., while only 19,000 have actually contracted the disease.

Twenty-four cases of Aids have been recorded in Israel. Seven were foreigners and many of the others contracted the disease abroad. Six of the seventeen Israelis are still alive.

The Health Ministry has mobilized vigorously on many fronts to combat Aids.

Relationships: Jewish men and Arab women

Many people believe it just doesn't happen

Gershon Gorenberg / Jerusalem Post Reporter

SHE MET HIM in an inter-city taxi. They spent the hour ride talking. He forgot important papers with his phone number on them in the cab, and she called him to return them. Soon they were "spending a lot of time together. A real lot."

That was over a year ago. The Arab woman, then a student at Tel Aviv University, has since graduated. Her boyfriend, "six or seven years older" than her, is a Jewish professional in a scientific field. They have separated twice but have gotten back together both times. Now, she says, "We're at the stage of deciding whether to live together, get married, or break things off."

We'll call her Mary. She is significant because many people believe that relationships between Arab women and Jewish men do not occur in Israel, even in the open society of university campuses.

Arab students interviewed over the past several months said for the most part that they knew mixed couples, but only ones in which the man was an Arab, the woman a Jewish Israeli or a foreign student.

Similarly, Haifa University sociologist Sammy Samuoha, an expert on Arab-Jewish relations, said "you won't find" Arab women students with Jewish boyfriends. Dr. Yosef Ginat, Minister Ezer Weizman's adviser on Arab affairs, also said such relationships were unlikely, explaining: "Arab society is an open one for men but a closed one for women." The danger of family honour killings is still very real, Ginat said, and "sometimes even rumours" that an Arab woman is having sexual relations "can bury her."

Arab students explained that Jewish society is known to be looser sexually. If an Arab woman were to get involved with a Jewish man, everyone would assume that they were sleeping together. If such couples exist, some students said, they don't let other people know.

The possibility of a relationship between a Jewish man and an Arab woman was raised publicly last year by Yehoshua Sobol's play *The Palestinian*, in which an Arab woman and a right-wing Jewish extremist fall in love.

One of the characters in the play suggests that thinking that "Jews and Arabs can live together in this country" is an adolescent illusion. Another implies that "a love story between a nationalist Arab and a nationalist Jew" is half-allegory, half-fantasy when she says "You'll have to invent the whole thing. In reality you'll never find anything like that."

As the number of Arab women studying in universities has grown in recent years, though, so has the conflict between tradition and the open attitudes of the campus. At least a few Arab women have become involved with Jewish men. But they are reluctant, even scared to talk.

An Arab man studying at Tel Aviv University, for example, said he knew two Arab women with Jewish boyfriends. He was certain one would not discuss the subject. When he asked the other one to speak to a reporter, she refused, saying: "It would cost me my skull."

A Hebrew University woman said that she knew of several such couples, but that she could not help contact them because "it would be hard for me to go to one and say, 'You have a boyfriend.' I couldn't do that."

Mary and another woman whom we'll call Rodeida did agree to discuss their relationships with Jewish men, though both asked that some identifying details be changed or omitted. And Mary's story, at least, shows that Jewish-Arab tension can pose a greater problem for such couples than Arab attitudes toward sex.

"MY SOCIETY accepts him more than his society accepts me. He didn't expect people to stop talking to him because of our relationship,



or to make faces when they meet me. He even has problems with his flatmate..."

"Even acquaintances of his will meet us on the street, and when he introduces me as his girlfriend, they hear my name and realize I'm Arab and they react very negatively. They make it clear, insultingly, that they don't approve," Mary tells a stranger by telephone, her voice high and tense, words rushing. "I feel very badly. Many times I've thought of leaving him. And it's been even harder for him than it's been for me."

Her friends, Arab and Jewish, have usually been encouraging, though "a few have told me it can't work out."

As for his family, she says: "We both feel that they don't like it. But they don't express it because he's pretty old." She has yet to tell her family. "I didn't decide not to tell them. It's just that the right moment

hasn't come up." She expects that her parents would take the news hard — not because of premarital relations, but because her boyfriend was Jewish. But "they'd accept it in the end."

Did university studies make her more open to a relationship with a Jewish man?

Mary grew up in a mixed city and was used to living among Jews even before university. But her social science studies "changed my way of relating to people and particularly to other communities." She learned to prejudice people less, to look at the person and not the nationality.

Still, she asks herself aloud, "Did I ever expect this could happen to me?" and answers, "No."

Cultural differences, she says, have not caused problems between her boyfriend and her. But politics have: "I'm further to the left than he is... It comes up in conversations, when we read the paper or hear the

news on the radio, when there's an attack or because of the Shin Bet affair."

Her boyfriend, she says, is in the centre politically, and at the beginning of their relationship, "we thought we weren't suited for each other. He'd say that I'm a leftist and he's not at all a leftist."

In other ways, though, they have much in common. They enjoy hiking together, and reading and discussing poetry, novels and books on psychology.

And she has discovered that he has a different attitude toward her as a woman than do Arab men. "He respects my opinion. He lets me decide what to do. He doesn't force his opinions on me." The difference, she says, is "very important" to her.

THINKING ABOUT marriage, Mary cannot avoid the question of national loyalty. Though her boyfriend is not traditional, "he wants me to convert."

She, like him, appears to see converting less as a matter of leaving the Christian religion than as forgoing her identity as an Arab. "I still have a very hard time deciding," she says in a strained, soft voice. "It's hard to give up your history, and people who would cut their ties with you because of that. I can't put myself at peace with the idea."

Converting, she believes, could also make it difficult for her ever to hold a job in the Arab sector, where such a step "would cause very harsh reactions."

As for the possibility of her boyfriend becoming a Christian, she says: "It never came up. I never raised it because I knew he would never agree."

So getting married could mean a break with her past, her family, friends and job, she says.

But Mary insists that marriage "is still a possibility." And when asked what keeps her and her boyfriend together, despite all the problems, she responds, "Love, and respect." She pauses and adds: "And maybe also that it's a challenge."

FOR RODEIDA, A Hebrew University graduate in her mid-20s, the two years she spent with a Jewish boyfriend were a natural outcome of her efforts to break out of the "closedness" of Arab social life on campus.

When she began studying in Jerusalem, Rodeida says, she found herself "alone at the university," without friends from the city where she had grown up. "Thrown in with people I didn't know, with a roommate I didn't know," she quickly made friends among the Arab students.

"I started to become very critical of Arab social life at the university," she says, and when she decided after two years of studies to start over in a new field, she also made a new start socially: "Almost all my friends were Jews. I didn't like the closedness of the Arab students," who kept to themselves socially and politically.

Other Arabs on campus, she says, criticized her for "only making friends with Jews, and studying with Jews and not Arabs."

But "I saw myself as a person, not an Arab. I had a right to make friends with anyone I wanted."

Rodeida also became a feminist, which sharpened her criticism of other Arab students. "Tradition and

conservatism in Arab society allow women no freedom," she says. In the last year of her studies, she and her sister joined a feminist group in Jerusalem. "My sister and I were the only Arab members. They accepted us wonderfully."

The same year, a friend introduced her to a Jewish man who lived in Tel Aviv, and a relationship developed quickly.

For the next two years, she says, "I travelled constantly to Tel Aviv. I should have bought a subscription to Egged." She became part of his group of Jewish friends, and "I never felt that they related to me as an Arab."

During the relationship, she says, "I don't think I felt any problem of different culture or education." But "I expected that he'd make use of a distinction between men and women than Arab men do," and that hope, for the most part, was not fulfilled.

Her boyfriend said nothing about her to his parents, with whom "he doesn't have much connection." Nor did Rodeida tell her mother and father.

All along, Rodeida says, "for personal reasons I knew I would have to end." She explains that "we didn't have much in common. I prefer not to say more." Several months ago they broke up.

RODEIDA SAYS that it is "definitely possible" that she would get involved again with a Jewish man. "It's not a matter of Jew or Arab. It's a matter of getting along personally," she insists.

She wears jeans and a denim jacket. Now and again, she smiles widely as she speaks. But she is nervous, her fingers busy bending a paperclip. She often answers questions with but a few words, or emphatically "prefers not to say." She guards her feelings more than Mary — though Mary was willing to speak to a reporter only by phone.

At university, both women say, they learned to see themselves and the men they met as people, not as Arabs or Jews. Their relationships with men before marriage indicate that they, like other Arab women on university campuses, have learned to question tradition. But as their concern for not being identified shows, the break with society's rules is not easy.

This is the first of two articles on Israeli Arab women at universities.

Student elections highlight great Palestinian divide

University split over Fatah, Islamic Bloc

Danny Rubinstein



A pamphlet distributed by the Islamic Bloc — on the a-Najah University elections in Nablus.

NABLUS, early July, 1986.

Student Council elections at An-Najah National University. Many leaflets, posters, and propaganda handbills. Activists, information tables and ushers fill the plaza at the entrance. This is the largest university in the West Bank (about 4,000 students). The new campus buildings, on the slope of Mt. Gerizim, are surrounded by the homes of the Rafidia neighbourhood, the wealthiest in the city.

The onlooker could have imagined that these elections are not being held under the shadow of the Israeli occupation, but rather in an independent Palestinian state. Tiny Palestinian flags are everywhere, and students hand out insignia and slogans of Palestinian organizations. Most evident are activists from the list identified with Fatah, *A-Shabiba* ("Youth"), who wear on their lapels a photo-montage of Arafat, on the background of An-Najah, as if he were speaking at the entrance to the college. There is an *A-Shabiba* youth group in almost every Arab village in the West Bank, and its list in the elections is called the *Qafar A-Shaqif* (Beaufort Castle) Martyrs Bloc.

The list's activists distribute colour postcards which bear a picture of

Beaufort Castle on one side, and the list of candidates on the other. Their motto — "The symbol shall remain on the Fire Mountain picture" — appears above Arafat's picture. The Nabulus mountain is the Fire Mountain in Arab tradition. The Fatah list has until now controlled the student council, and its activists are telling the voters: For the sake of the Fatah martyrs at the Beaufort Castle, leave the symbol, Arafat (and us), in the fortress of Nabulus. Most active among the *A-Shabiba* youth is a woman wearing olive drab fatigues and a beret, as if she were a Palestinian fighter on parade.

The major list competing with Fatah is the Islamic Bloc. Its activists are bearded youths and young women in traditional garb, kherchiefs and long dresses. Apparently, students supporting the Jordanian regime vote for this list. Its slogans and insignia combine religion and nationalism. As far as I can tell, Palestinian nationalism is downplayed in these slogans, and religion is emphasized. At the top of the Islamic Bloc's handbill is the traditional introduction: "In the name of God, the Merciful, the Compassionate," followed by the name of the list: "The Holy Sheikh Iz A-Din Al-Qassam Bloc."

This Sheikh, originally from Syria, lived in Haifa and was a preacher and cleric. In the early 30s he organized a group of enthusiastic Moslem youths, mostly from Haifa and the large village of Tzippori (which was destroyed in the War of Independence), and preached self-sacrifice for the nation and the faith.

The group, which was named after him, *Al-Qassamiyyeh*, attacked Jews and was a forerunner of the 1936-1939 disturbances. Uncovered by the British police, its members went into hiding in the mountains around Jenin. In November 1935 the British discovered them near the village of Yabad (near Jenin). Sheikh Iz A-Din Al-Qassam and some of his men were killed in the ensuing clash.

His funeral in Haifa was one of the largest Arab demonstrations in Palestine in the 30s.

The colour illustration of the Islamic Bloc handbill is a fist holding a map of Palestine, with blood running from it tracing the letters "Allah." A crescent surrounds the illustration.

Competing with these two large lists is the left, divided as usual into two groups: supporters of George Habash's Popular Front and the Communists, and supporters of Nayef Hawatmeh's Democratic Front. They have less strength at An-Najah than at Bir Zeit and Bethlehem Universities (the left's influence on students is especially felt at Bethlehem University), and their printed material is relatively modest. It calls for "unity of ranks," on the background of a map of Palestine.

The left's largest list, The Progressive Bloc, published the following

slogans near its list of candidates: "Long live the united students' struggle"; "No to the (Shi'ite) Amal aggression against the Palestinian camps (in Beirut)"; "Hand in hand to topple the divisive Amman agreement" (the Hussein-Arafat agreement which was nullified that week); "Yes to a united and indivisible PLO."

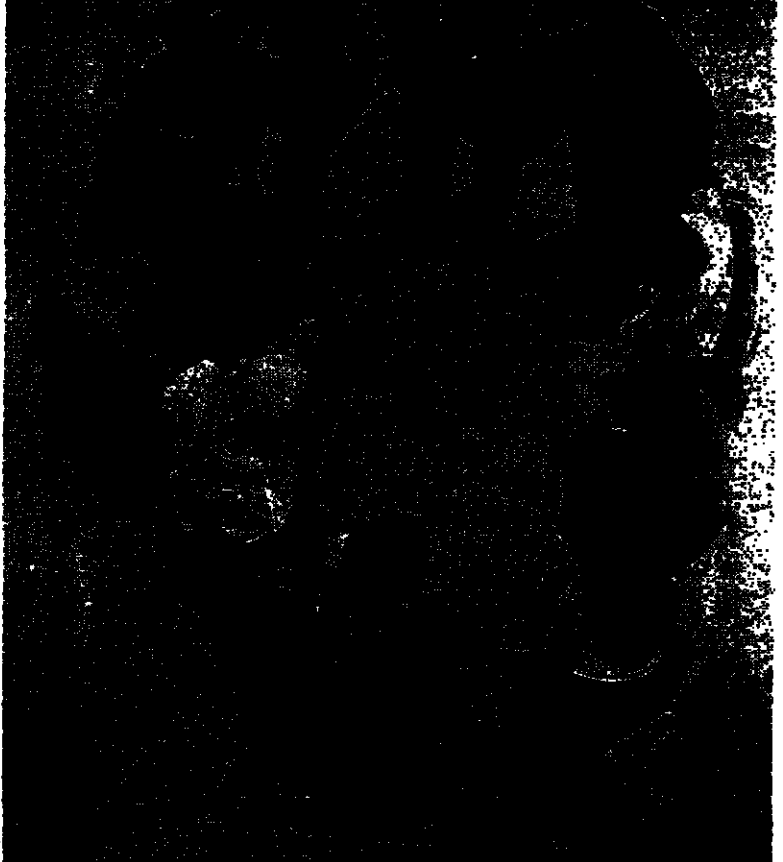
These slogans reflect the problems of the Palestinian left. When Arafat turned to Hussein after the Lebanon war, the left divided the PLO. Out of a defensive instinct, it calls Arafat and Hussein divisive, and depicts itself as supporting unity; but after the Shi'ite Amal militia, supported by Syria, attacked the Palestinian camps in Beirut, the left — whose headquarters are in Syria — had no choice but to dissociate itself from these attacks, and indeed it condemns them.

THE ELECTION results were announced in the evening. The Fatah list received about 46 per cent, the Islamic Bloc 40 per cent, the left list about 14 per cent. According to the election system here, Fatah will again make up all the student bodies in Nablus, and will mark the anniversary of the first of January (Fatah Day), May 15 (the anniversary of the "Palestine Disaster" in 1948), as well as "Palestinian Prisoner's Day" and "Woman's Day," "Children's Day," and others.

The slogan "Revolution Until Victory" will be displayed in the student offices and on campus, picnics, meetings organized, as well as ceremonies and exhibits, all in the spirit of the yearned-for Palestinian independence. For the students of An-Najah in 1986 there is no national identity other than Palestinian, and there is no other flag than the Palestinian banner. Their dream is a sovereign and independent Palestinian state.

The Jordanian rule in Nablus of 20 years ago is only old stories told by father and mother, and British rule is stories told by grandfather and grandmother. In 1967, most of the students were either babies or had not been born. Since reaching maturity they have been living in a reality defined by the struggle for Palestinian liberation.

There is a stark contrast between the symbols, ceremonies and the whole Palestinian activity in An-Najah, and the reality of the summer of 1986. In the 20th year of Israeli rule in the territories, where half of the Palestinian population lives (the other half is dispersed throughout the region, from Lebanon and Jordan to Kuwait and Yemen), the dream of a Palestinian state seems further away than ever from realization. The college students are preoccupied with internal Palestinian politics — Fatah, the Popular Front, Communists, Islamic Bloc — while



Students at a-Najah University.

(Israel Talby)

the PLO is in distress, and perhaps disintegrating as never before.

The PLO has been virtually banned from the states bordering Israel. Its offices in Jordan have been closed. What is left are the offices in Tunis and Baghdad, and a few persecuted units in Beirut and in the armies of some Arab states. These latter units, however, are completely subordinate to the governments of those states.

The Rejection Front organizations in Syria, who accept the rule of that country's government, claim to be the real PLO; anti-Arafat dissidents in Amman ("Abu Zaim") claim they are the legitimate PLO. Where has the Palestinian military and political power, which gained impressive momentum in the 70s, gone? Has it disappeared? Foreign correspondents who recently met in Tunis with the Palestinian leadership say the PLO is finished.

But with its ample funds the PLO maintains bureaus throughout the world and a UN legation. It has budgets and equipment for information activities and propaganda, it has newspapers and reporters, journals and research centres, writers and artists associations and a Palestinian "Red Crescent." It also has leadership institutions which have been greatly weakened, and small military units.

An East Jerusalem Arab who is well-placed in Amman told me this week: "The PLO isn't what it used to be. They have money, so they continue to function by inertia, but in fact they have ceased to exist on the

political map."

My East Jerusalem acquaintance is certainly exaggerating, but it is true that the PLO's decline began the minute it limited its military activities. This is because it failed to find a political path leading to any results. When Yigal Allon was asked: "Will the State of Israel negotiate with the PLO if it stops terror actions?" he answered: "The PLO without terrorism will no longer be the PLO." The PLO was — and to a large extent has remained — an organization for the execution of terror attacks against Israel.

The condition of any Palestinian organization's membership of the PLO is the presentation of a military group at its disposal to strike targets in Israel. (The Palestinian Communist Party, which refused to set up such an organization, was not officially accepted in the PLO.) Therefore, if there is no military activity, if there are no attacks and terrorism, there is actually no PLO. The military units are today degenerating and disintegrating because of inaction. The commanders are frustrated and bitter, and the unifying framework is losing its content.

At the beginning the terror actions were intended to provoke an Algerian-style "popular war" in Israel and the territories. Later they were intended to bring on an Israeli reaction against the Arab states and push towards war. Both methods failed. There is no chance of a popular war; neither is there a chance (especially since 1978) of a total Arab war.

The PLO has had its successes. It put the Palestinian problem on the international agenda, and it did create a Palestinian national solidarity; but beyond this, its path has been blocked. How characteristic: Last week Gaza's deposed mayor Rashad Shawwa appeared on Israel Television and said: "There should be a return to the situation before 1967, the return of Gaza to Egypt and the West Bank to Jordan." As if 20 years had not gone by and there was no PLO.

PARADOXICALLY, the PLO presence is felt more at An-Najah University in the occupied territories, than in any other place in the world. In the Arab states the Palestinians are guests, and the local government can do whatever it pleases with them. The totalitarian systems of Jordan, Syria and the other Arab states keep a watchful eye on the activities of the Palestinians, often restricting them.

In Irbid, Jordan, students (mostly Palestinians) were arrested not because they took part in riots, but because they put out reports of the real extent of the riots in the city. According to the official Jordanian announcements, only three students were killed in riots (three months ago) at the Al-Yarmouk University in Irbid. According to rumours — some of them confirmed — more than 20 students were killed. In many respects, Jordan, Syria, the Gulf and North African states, and even Egypt, can be viewed as "police states," in which individual liberties — of the Palestinians and others — are more restricted than in the territories under Israeli military rule.

Nablus, Hebron, Ramallah and Gaza are a long way from Palestinian independence, but they are the only places in the world where Palestinians are not considered guests. De-

spite the Israeli restrictions and harassment — and there is much of it — the Palestinian press is flourishing in East Jerusalem, there are Palestinian professional associations in the West Bank, as well as cultural and research institutions, and universities.

Over the years a fabric of life has been woven around the distinctive national Palestinian identity. Poets in the territories write that the Israeli occupation makes them feel "strangers in their homeland," but they are in the homeland. Even when the PLO appears to be degenerating and disintegrating, even when Jordan takes increasing measures against PLO supporters and against Palestinian activists in the East and West Banks, even when the Israeli military government gives no rest, even then An-Najah University looks on election day like Palestinian autonomy in miniature.

The youngsters at the university are divided over support for Fatah, the Islamic Bloc, or the leftist movements. The businessmen in Nablus and Hebron are arguing over whether to set up Chambers of Commerce sponsored by the Israeli military government. Public institutions are trying to rebuild their budgets in a period of significant decline in appropriations and contributions from the old states.

A military solution is no longer on the agenda, a political solution is not on the horizon. It can be assumed that the West Bank and Gaza Strip will look for a long time to come like they do today, with no real change; and with a Palestinian national sympathy for which, whether we like it or not, there is no substitute.

Reprinted from Dvar Hashavua. Translated by Joel Greenberg.

(The Middle East page is edited by Yehuda Litani.)

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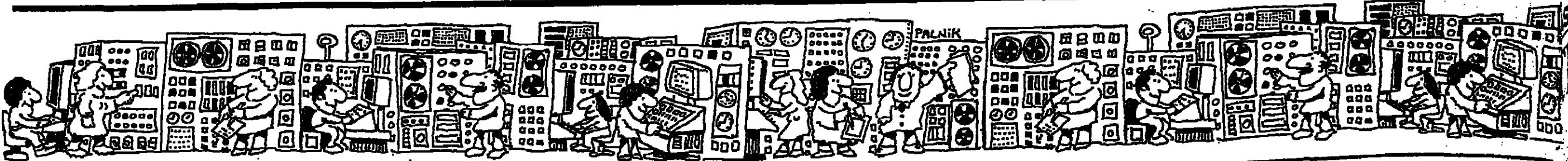
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Manhattan puts some brains behind the traffic lights

Judy Siegel-Itzkovich / Post Reporter

SEVENTY YEARS after the installation of its first electric traffic lights, Manhattan is due to get a multi-million-dollar computer system to reduce the chaos in its traffic patterns.

The traffic-control system has already proved itself in Brooklyn, Queens and the Bronx, which admittedly have less traffic and wider avenues than the narrow island. But engineers believe that the computers will go a long way to reducing "gridlock" — the phenomenon of bumper-to-bumper traffic when cars and trucks can't seem to move anywhere.

According to an article in *Smithsonian* magazine, New York City planners have long been worried by the 860,000 motor vehicles that enter Manhattan every day. Unless something drastic was to be instituted, they feared that by 1991 Manhattan would have the traffic volume comparable to that of the 1980 transit strike, when all buses and subways halted and everyone took to their cars.

Sensors buried in the pavement of major traffic arteries will provide information on traffic flow to city employees in a special control room. The sensors are rectangular metal loops as big as king-size beds that detect the magnetic mass of vehicles passing overhead. The computers assess the flow of traffic and then select the most efficient cycles for all the traffic lights in their sectors. After the lights are computerized, experts expect to see a 70 per cent drop in the number of stops drivers have to make at intersections. If they travel at the right speed, cars can go straight through on the green light.

Based on experience in Queens, where the traffic lights are already controlled by computer, the experts found that when the system was turned off for a short time, and traffic lights had to run mechanically with their ordinary timers, traffic backed up for 25 blocks.

Although system failures are rare, the computers can instantly warn of any malfunction, pinpointing whether it is in a sensor, a traffic signal or phone lines connecting them to the computer. They can even warn when they themselves are on the blink.

In the coming decades, most major American cities are expected to computerize their traffic flow. It is estimated that traffic jams in Houston for example, cost the average driver \$800 a year in time, petrol and insurance.

Los Angeles, which too often looks like one giant parking lot, has instituted computerization at a number of freeways. Computer screens can produce a graphic design of an intersection, and even recede into a map with a view that a helicopter pilot would see. The map can be turned into various colours, showing traffic volumes at various sections. During the 1984 summer Olympic games in L.A., a helicopter crashed into a milk truck, causing a big tie up just as the final ceremony was to take place at the stadium. The computer enabled officials to call ambulances, tow trucks and a cleanup crew and send electronic warning messages to signs on nearby highways. Traffic was automatically redirected and the ceremony began on time without any gridlock.

A cheaper option to computerized

traffic signals, however, has been introduced in the Austrian town of Grinzing outside Vienna. When fines, radar and signs failed to slow down traffic on the main street, a goosekeeper was hired to bring a gaggle of geese, forcing traffic to reduce speed. It worked like a charm, and Grinzing is reportedly planning to invest in a few more geese.

GEORGE ORWELL predicted half a century ago that it was coming, and indeed Big Brother — in the form of a computer — is on the way. Employers will keep an eye on an increasing number of employees, both in the U.S. and inevitably in the rest of the Western world, including Israel.

Time magazine reports that over 13 million Americans use computer terminals in their work, and about a third of them are scrutinized by unseen bosses who can see how much, how fast and what they are doing.

Companies ranging from United Airlines to Equitable Life Insurance have installed monitoring systems in the hope of boosting productivity. Since the number of computer terminals is expected to triple by 1990 in the U.S., many more workers will soon come under this monitoring, unless they somehow fight it. At the airline, bosses can determine how long a clerk takes to handle each customer and the amount of time he spends between calls. The computer even measures lunch hours, coffee breaks and how many times the worker goes to the toilet. At supermarkets, a computerized optical scanner can tell how many items per minute the checkout girl is handling. Even employees working machine tools in factories can be monitored. Secretaries typing letters can be watched through their word processors.

Many employees are unhappy about Big Brother, arguing that it creates too much pressure and stress and can turn you into a nervous wreck. Sometimes, workers have been able to sabotage the computer or even fool it, such as by leaving on the machine's motor while going on an extended coffee break.

The employers, however, are happy with the new system, saying that it increases productivity. They often offer bonuses to workers given top grades by the computer for good, speedy work and low absenteeism.

COMPUTERS ARE allowing people to start "cottage industries" in their own homes, just as two centuries ago men and women, and children as well, used to do piecemeal on their kitchen tables.

A number of associations have been set up recently in the U.S. to promote computer programming at home. They provide not only technical information on how to set up a business or doing piecemeal work, but also how to find contacts for the marketing of your products.

The AFL-CIO, the giant labour federation in the U.S., has come out against working at home with computers. It claims that the phenomenon may fail to protect workers with a minimum wage, fringe benefits and the right to organize in order to deal with unreasonable employer demands.

Speak up, computer's listening

New IBM system is 'ultimate secretary'

Doron Pely

"TWENTY TWO people are too many to talk to," Dr. Gideon Shichman spoke slowly into the microphone. The computer listened, hesitated a little, displayed "Twenty too" and quickly corrected itself to "twenty two." By the time the dictation was finished, the correct sentence was blinking in the corner of the screen.

Shichman was demonstrating the fruits of 14 years of research and development aimed at providing the ultimate secretary — a computer that can take dictation, understand spoken English and distinguish between similarly sounding words such as Two, Too and To. The demonstration by the Israeli-born scientist, who is the head of the speech recognition research team at IBM's Thomas J. Watson research centre, New York, took place at the company's headquarters in Tel Aviv.

Unlike other attempts to develop speech-recognition systems based on huge data banks of grammatical rules, Shichman's system is based on statistical analysis of the spoken text.

The system is not concerned with the meaning of the words, but with their positioning in the sentence. Each word is investigated by the

computer to determine the probability of its correctness based on its position in the sentence and preceding text. The system chooses "candidate" words, and re-evaluates them as the dictation proceeds. After each sentence, the system decides what the final version looks like, and it is displayed on the screen.

"Grammar-based systems are extremely difficult to develop because of the bulk and complexity of the rules and the huge number of cases that don't fit in nicely," says Shichman.

In 1981, Shichman, then a doctorate student at Yale university, was approached by an IBM "talent hunter" and recruited to work on the speech recognition project. A year and a half later he became the head of the project, and a few months ago the first micro-computer-based prototype was unveiled in New York.

"We started by preparing a 5,000-word general vocabulary derived from IBM's office correspondence data-base," explains Shichman.

At its present stage, the system is far from perfect. During the demonstration, the computer failed to understand key words like "computer" and "IBM," but it handled admirably complex constructions such as "To be or not to be."

According to Shichman, the system is at its best when used by native English speakers, because they tend to pronounce words with a consistency that is not achieved by non-natives. "I pronounce the same word differently every time," explains Shichman, "and that confuses the computer."

A second prototype, based on a 20,000-word vocabulary, is now at its final stages of development. Shichman believes that the increased vocabulary, combined with a significant power boost will make the system much more versatile and usable. "William Shakespeare's entire volume of plays contains only 16,000 different words, so a 20,000-word vocabulary will do just fine."

A speech recognition system is not confined to English. French, Ger-

man, Italian and Japanese versions are currently under development with varying levels of success.

"The Italian IBM team did a marvellous job in adopting the system to their language," says Shichman. It appears that Italian is a particularly easy language to adopt for computer recognition because words are pronounced exactly as they are written.

Japanese did not prove so easy. "With the Japanese team we had some ego problems," adds Shichman, "but even without those problems, Japanese is extremely hard to adopt for our purposes." A Hebrew version, though possible, is not currently considered.

But a larger vocabulary and a faster computer will not suffice to turn the system into a marketable product. The research team is still struggling with problems of background sound interference, statistical modelling or word sequences and inconsistent pronunciation. Shichman is reluctant to predict when his system will be ready for the market, but he has no hesitations about its prospects. "In 20 years time, speech recognition systems will be widely used."

West Bank braces for 'invasion'

Helena Flusfeder

COMPUTERS ARE not yet a booming industry in East Jerusalem and the administered territories.

Yet they are already used in the administration of several important corporations including the Jerusalem District Electricity Company, the Jerusalem Cigarette Company, the Palestine Bank of Gaza and several hospitals, as well as in administration and teaching in some West Bank and Gaza universities and colleges.

According to Dr. Saleem Zoughbi, head of the computer science department at the College of Science and Technology in the Jerusalem suburb of Abu Dis, the situation of computers in East Jerusalem and the territories is some five to six years behind the rest of Israel, and about 10 years behind computer technology in the United States.

He explained that "computers didn't appear here until early in 1979 when a small micro-computer store was opened in East Jerusalem by an Arab computer engineer and graduate of the Technion." But the actual momentum only really started, he said, with the establishment of the Arab Computer Systems of Ramallah (which incorporates the important Jedon Company) at around the same time. This company was made up of a group of business people who tried to set themselves up as dealers or agents for some of the large mini-computer companies.

They succeeded and became agents for such important companies as Hewlett-Packard, and says Zoughbi, they gradually gained a monopoly of the market in the West Bank and Gaza because at the time, there was no other alternative.

So, in the late 70s when universities started to look for a source of computers, they eventually settled for the HP (Hewlett-Packard) mini-computers (a medium-sized multi-user system, whose information is available for access by more than one person at a time), since other, possibly better brands such as IBM, were not sold in the West Bank until about two years ago.

Today, hospitals, universities and corporations are faced with a wider choice of hardware, since some of the other large computer companies



(Karen Benzion)

have now entered the market, including IBM, which has agents in East Jerusalem, and Digital, Data-General and others.

In spite of the "bad economic situation, with no reason to believe that next year will be better," Zoughbi predicted that "the West Bank and Gaza will soon see a versatile computer 'invasion.' IBM will get into the market, although it's late."

He spoke eloquently and enthusiastically about the plans of at least four or five corporations to buy and install mini-computers. "This is why I believe that next year will be very active in terms of computers, not only for education, but also in business."

He explained that most of these organizations interested in installing computers, are financed by Arab sources, coordinated by Jordan. They realize that "something has to be done to keep the West Bank alive economically, and so they finance business and academic projects to

help the people find jobs," Zoughbi said.

IN GAZA, the situation is almost the same as in the West Bank with corporations using mini and micro-computers while three or four businesses are involved in selling "micros."

In education, however, computers have been "much more active than in business," according to Zoughbi.

"THE STORY started when Bethlehem University got a computer and this was followed right away by Bir Zeit." But Zoughbi stressed "most universities use the computer for administration, not for teaching purposes. The emphasis was usually put on computerizing the registration process, printing the reports and grades, rather than teaching students how to programme."

Unlike the other colleges and universities, Abu Dis (which is financed by Kuwait) give priority to its students by allocating the mini-computer for studies. The college,

meanwhile, makes do with a micro for its own administration purposes.

Zoughbi explained the reasoning behind this: "We believe that computers, and the computer business are booming in the West Bank." Although it's gradual, he believes it will speed up. "So there is a big need for professionals: programmers, analysts, people who are not afraid to touch computers. Therefore we have to teach this." He believes "The best tool for proper education is the 'hands on' process." (Students working by themselves.)

The computer science department at Abu Dis opened five years ago. There is no college in the West Bank which offers a full major in computer science, according to Dr. Mohammed Qutob, Dean of the College of Science and Technology.

While other universities also plan to expand their computer courses, Abu Dis intends to offer a new course for computer hardware technicians next year. (This means not only learning how to work on the computer, but also how to physically

maintain it.) Zoughbi predicted that "after four or five years, this is where the biggest need in the West Bank and Gaza will be. There will be plenty of programmers, but a great shortage of computer engineers and technicians."

At present, work opportunities for computer science graduates are limited. Most graduates look for employment in either high schools in East Jerusalem and the West Bank, or in hospitals and companies such as Jedon. (Jedon is the company which won the tender to provide any of the 25 West Bank municipalities with computer services to help improve their administration and bookkeeping should the municipalities decide to computerize their departments.)

ABU DIS today has a mini computer with 15 terminals and the plans to acquire another with an additional 24 terminals — at a cost of up to \$150,000. The computer will have four times the memory capacity of their present equipment.

For the uninitiated, Zoughbi explained that all 15 terminals (housed in the technology building) are connected to the CPU (central processor unit or the computer itself). The computer reads, instructs and executes demands. The programme, on a hard disc, coated with electromagnetic material, is stored in the disc drive, near the printer, and the terminal near the CPU is the monitor of operator's console and controls the other terminals and the rest of the hardware including the printer.

Zoughbi thinks that the emphasis at Abu Dis on science and technology is very important "if people in the West Bank want to have a better understanding of the world and the environment in which they live."

A computer symposium held last May has led Zoughbi to adopt an optimistic outlook for the future. The symposium encouraged a more organized network for those involved in computers in the West Bank. One of the more ambitious ideas stemming from this upsurge of interest is the creation of a data bank for the area.

This computer-network would be formed in the West Bank and Gaza Strip, pooling everyone's resources and resulting in a library of information (from farming to scientific references to statistics). All this would be available to any person or institution by a telephone connection to the entire network.

There may be reason after all for Dr. Saleem Zoughbi's optimism.

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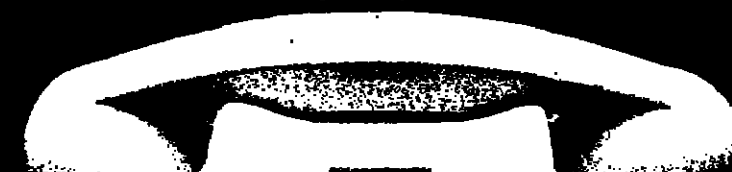
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American horse breeders — computers for matchmaking

OKLAHOMA (Reuter). — Scanning a computer screen could soon be as important in buying a horse as examining the animal's teeth and legs, if a high-tech Oklahoma company has its way.

Ron Reichman, president of Genetic Technology, is intent on adding horse science to horse sense in the breeding of racers and show animals.

His company, which claims to be the only one of its kind, uses a computer and a top-secret statistical formula to rate horses on their potential for performance and ability to produce quality offspring, based on the performance of six previous generations.

Genetic Technology has so far been used primarily by owners of mares seeking the best potential stallions for breeding. The mare can be "computer-mated" by comparing the history and ratings of her pedigree with those of potential studs.

The company does not handicap races. However, the first- and third-place winners in this year's Kentucky Derby turned out to be included in Genetic Technology's list of five Derby racers with the top pedigree. Second place went to an English horse whose background had not been analyzed by the company.

"This could totally change the horse industry," says Reichman, "we're already starting to see horses being produced that are equaling or bettering track records."

The company has already rated about 49,000 horses for 4,000 clients in America, Canada, Mexico and Australia. But with eight million registered horses in the United States alone, Reichman says his firm's potential business has just begun.

Genetic Technology's secret mathematical formula for rating horseflesh was devised by a Tulsa Horse expert. Reichman bought the

rights to the formula, then enlisted aid from University of Tulsa professors to help refine its accuracy to nearly 95 per cent.

The cost of analyzing each mare's pedigree is \$75 plus \$20 for computer-mating with a stallion.

The formula, which examines a horse's family tree and determines the likelihood of the animal passing on top-quality traits to its offspring, will also soon be used for a horse cloning study — a type of animal test-tube baby project — by the University of Tulsa and Colorado State University.

Researchers plan to raise sets of four horses cloned from the same fertilized mare's eggs in different environments. An analysis provided by Genetic Technology will be used to help determine the importance of genetics versus such factors as training and nutrition in producing quality animals.

New threat to U.S. chip makers

BOSTON (Reuters). — The U.S. has won some relief from aggressive competition by Japan's semiconductor industry, but sceptical industry analysts say the accord does not protect American manufacturers from the new challenge of other Asian nations, particularly South Korea.

The analysts doubt whether the pact on the importing and exporting of one of the world's most important high-technology products, reached last week, will significantly help domestic manufacturers and say South Korean firms will gain easier market entry against U.S. and Japanese firms alike.

"We've just given Korea a free ride," said Dick Skinner, president of Integrated Circuit Engineering, which specializes in market research in the semiconductor industry.

Semiconductors are tiny slices of silicon that form the brains and memories of almost all electronic devices from digital watches to computers to weapon systems. Their manufacture is an expanding world market now worth \$25 billion a year.

South Korea's four largest industrial conglomerates — Hyundai, Daewoo, Lucky-Goldstar and Samsung — are committed to becoming major suppliers to this market and in the past two years have invested more than one billion dollars in building production facilities. The South Korean firms have only about 1.5 per cent of the market to date, but the consulting firm product assessment estimates they could capture as much as 7.7 per cent by 1989.

The five-year trade agreement with Japan, reached minutes before the U.S. was due to impose retaliatory trade restrictions against Japanese-made chips, calls for the Japanese to avoid predatory pricing in the U.S. and other markets in which the two countries compete.

But the higher prices for chips



The tiny chip could mean a lot of jobs.

(Camera Press)

this guarantees will make market entry even easier for the South Koreans, Skinner said. "They were late getting into the market and they are not yet cost competitive," he said. "Competing at a \$2 [per chip] price level would have been pretty painful for them, but \$4 a chip isn't bad. I think they will make life very difficult for the Japanese."

The South Koreans have already progressed from making transistors to the most sophisticated types of chips in about five years, a process that took Japanese manufacturers 15 to 20 years. They also have a financial advantage over the Japanese in that the Korean won, unlike the yen, moves in concert with the American dollar and is not affected by the U.S. currency's decline.

Dataquest consultant Sheridan Tatsuno said the South Koreans also had an important economic incentive to expand into world markets. "The Korean economy is only one-tenth the size of the Japanese. They

must export if they are to grow. They cannot count on domestic consumption."

The Japanese should be well aware of the potential success of South Korea's aim to be a high-volume, low-cost supplier, since it is the same strategy they used to conquer the semiconductor industry once dominated by American firms.

Although U.S. companies pioneered some of the most widely sold chips, they quickly lost ground to Japanese industrial giants including NEC, Hitachi, Toshiba, Fujitsu and Matsushita. These companies, with their large production capacity, have more efficient manufacturing processes and lower costs which could significantly undercut the price offered by American firms.

At the same time, U.S. manufacturers found it virtually impossible to enter the huge Japanese market for chips, where they have only an 8.5 per cent share, compared with 50 per cent world wide.

As a result, U.S. firms have all but

abandoned the \$3b. a year market for random access memory (RAM) chips to Japan and are barely holding their own in the more sophisticated market for erasable programmable read-only memory, of Eprom, chips.

In the past two years at least six U.S. semiconductor plants and production lines have closed, and more than 65,000 employees have been laid off. Last year Texas Instruments lost to NEC its long-held title as the world's largest chip manufacturer.

The new accord contains an informal understanding that Japan will allow American manufacturers to increase their share of the Japanese market to more than 20 per cent by 1991, which U.S. officials estimated could bring domestic companies as much as \$1.5b. to \$2b. in new business.

But Dataquest's Tatsuno said real growth in semiconductor demand now is not in Japan or in the U.S. but in the rest of Asia, where low-cost competitors abound.

"In 1986, we expect the semiconductor market to grow by 5 per cent in Japan, around 10 per cent in the U.S. and 53 per cent in Asia," said Tatsuno. "That's the major hole in the agreement."

Tatsuno said nothing in the agreement stops Japanese or U.S. manufacturers from moving their plants to Malaysia, Taiwan or Sri Lanka and then importing low-cost chips from those countries.

"Remember, the Japanese are under a lot of pricing pressure from the Koreans. They will either have to cut their own costs or abandon the low end of the market."

Ultimately, the trade agreement may be done in by the fast pace of rapidly changing technologies, U.S. analysts said.

"Five years is an eternity in this industry," said Tatsuno. "Two to three years down the road, the emphasis could shift to a completely new set of suppliers."

U.S. budget deficit isn't closing as easily as expected

WASHINGTON (Reuters). — The sluggish U.S. economy has cast doubt on a central theme of President Reagan's administration, that even without more government spending cuts, the federal deficit will decline each year and eventually disappear.

Critics of the administration say its programme of tax cuts and increases in defence spending would cause federal deficits to grow perpetually. But Reagan supporters have clung to the belief that his policies would lead to an end to deficits and a balanced budget.

This was embodied in the president's budget for 1987, published in

February and starting next October 1. It showed the federal deficit gradually declining to about \$100 billion by 1991 from an estimated \$206b. in the current tax year which ends on September 30. The fiscal 1985 deficit was \$212b.

The White House and the CBO will this week issue new projections for the budget and the economy. Financial analysts say the worsening economic outlook could undermine the theory of gradual decline.

James Miller, director of the White House Office of Management and Budget (OMB), has conceded that the 1986 deficit will be higher than the previous one but said it

would start declining regularly from 1987. "We are looking right now at a deficit for fiscal 1986 of \$215b., perhaps \$220b.," he told a group of economists last week.

In the long term, he said, the deficit would decline but more slowly than the administration originally expected. "I don't think we're down to \$100b. by 1991," he said. "We're over that now."

Economists say Miller may be right so long as the economy continues to behave about the same as now. But, they warn, an extended period of slow growth or a recession could upset the administration's projections.

"The spending side is fairly stable at this point. But it's the revenue picture that bounces around as economic conditions change," said a private-sector economist who asked not to be identified.

"If the economy goes into a slide, the long-term downward trend in the deficit could be reversed," the economist said.

Van Ooms, chief economist for the House of Representatives Budget Committee, said the long-term trend depended on steady long-term growth, and it was difficult to foresee whether this would be achieved.

He also predicted the deficit would continue to decline after 1987.

WORLD BUSINESS IN BRIEF

Japanese banks threaten to stop Mexican bail out

TOKYO (Reuters). — Japan's major banks threatened yesterday to sabotage international plans to bail out financially strapped Mexico unless the Japanese government gives them greater tax breaks on developing country loans.

Mexico has asked international banks for about \$6 billion in new loans under a rescue scheme hammered out with the International Monetary Fund. Japan's share would be about \$900 million.

"It is a terribly large amount," said Yoh Kurosawa, deputy president of the Industrial Bank of Japan, adding, "I don't think the Mexican credits will ever be paid back." He said other Japanese banks agreed that their depositors and shareholders would be hurt if they lent more money to debtor countries without additional support from the government.

AN OVERVIEW OF REAGAN'S textile veto is apparently gaining support in the House of Representatives, which casts the politically-charged vote today. Experts say that a vote either way could hurt thousands of U.S. workers.

Congressional and industry analysts say the outcome is still too close to predict, but some concede that recent events may have tipped the balance against the president, who vetoed a tough protectionist textile bill approved by Congress last year.

Congress passed the bill last year in an attempt to save the beleaguered American textile industry, which now competes with imports that take up more than half of the U.S. market.

THE INTERNATIONAL MONETARY FUND said Monday it is cutting its annual interest rate from 7 per cent to 6 per cent on about \$19 billion worth of loans to member countries. An unofficial calculation indicates the change will save borrowers in the Third World about \$95 million.

The cut is retroactive to May 1 and valid until November 1. It will be revised every six months, depending on how well borrowers keep up with their payments. If too many payments are delayed, the fund raises the rate it charges in order to keep up its own income.

TALKS BETWEEN EGYPT and West Germany began today, with West German Economics Minister Martin Bangemann's arrival in Cairo.

Political strains may harm Italy's economy

ROME (Reuters). — Italy's 35-day-old government crisis has ended, but the spectre of further political squabbling, along with sluggish world economic growth, is raising doubts over the country's economic prospects.

Socialist Bettino Craxi's return as prime minister means the start of Italy's 45th postwar administration, which will have the same five-party political complexion as Craxi's first administration — Liberals, Christian Democrats, Republicans, Social Democrats and Socialists. That government had ruled for nearly three years — a postwar record — before resigning on June 27 in a dispute over the premiership.

But with relations between the Christian Democrats and Craxi's Socialists still difficult, many economists fear revived tensions could delay or weaken major economic policy decisions.

A fall-off in export growth, attributed to worsening world trade conditions, and concern that the benefits of lower oil prices and a cheaper dollar may be short-lived, have also dampened recent optimism over the economy.

When Craxi returns to his duties after the summer break, his first task will be to try to ensure a speedy passage through parliament for the 1987 finance bill, which sets budgetary objectives and will have a key influence on the dire state of Italy's public finances.

If the finance bill is not passed by the end of December, Italy will have to resort to a costly provisional budget for the early part of next year.

Frictions within the five-party coalition are nothing new and forced the use of a provisional budget in early 1986, but present fears of a late or diluted finance bill come at a time of growing alarm about Italy's public finances and uncertainties over world trade trends.

Although Italy has made notable progress towards curbing its economic ills, with sharply reduced trade and payments deficits and falling inflation, much of its success stems from favourable external factors rather than internal policy, economists say.

Lower oil prices and the fall in the dollar — both of which have dropped by around two-thirds since late last year — helped cut the overall balance of payments deficit to \$1.5 billion in the first half of 1986 from \$4b. a year earlier. The Italian trade deficit was also slashed, to \$4.7b. from \$11.5b. over the same period.

Inflation fell into the single digits for the first time in a decade, in September 1984, and by July this year, it was down to 5.9 per cent annually — its lowest level in nearly 14 years. But inflation is still well

above rates in other industrialized countries.

Bank of Italy Governor Carlo Ciampi said less than a month before Craxi's previous government resigned that the favourable external conditions currently enjoyed by Italy might not last. He warned against the "dangerous pitfall of euphoria" and urged fast government action to put public finances on a sounder footing and restore Italy's industrial base.

According to Ciampi, monetary policy can do only so much and needs the support of a vigorous fiscal and incomes policy. Without these, the economy was exposed to "latent instability."

Economists tend to agree with Ciampi, believing that Italy needs to minimize the risks of changes in global economic trends by putting its own house firmly in order. As an economist at the private research institute Prometeia said outside trends were already cause for concern, with Italy's fall in export growth as indication of where problems might lie.

Recent data show export growth of only 1.6 per cent in June from a year earlier and of 3.8 per cent in the first half of 1986 from the first half of 1985. Corresponding data for the first half of 1985 showed a rise of 14.1 per cent.

Meanwhile, Treasury Minister Giovanni Goria, who resigned his post in the new cabinet, has been pains to show his ministry is not overshooting spending targets. He said during the recent crisis, the public-sector spending for the first seven months of 1986 was estimated on target at around \$42.4b.

The figure was lower than that of a year ago, when it was \$45.5b., for the year it was targeted at \$76.4b.

But even Goria warned there was no guarantee that the trend would continue into 1987.

The Organization for Economic Cooperation and Development, in its latest report on Italy, said the public deficit was the main problem facing the economy. Public spending could grow by around 2 per cent in real terms this year and by 1.5 per cent in 1987, it said.

Expected economic growth in 1986 and 1987 might not halt rising unemployment — currently at official levels just above 11 per cent of the work force — while high interest rates and idle capacity would continue to inhibit investment, it added.

"If the finance bill is not as good as it should be, then just a small change in the international scenario would easily cause our internal disequilibrium to flare up again," Maura Pini, senior economist with the National Economic Studies Institute said.

TOURISM BRIEFS Greer Fay Cashman

Travel survey: Israel secure place to visit

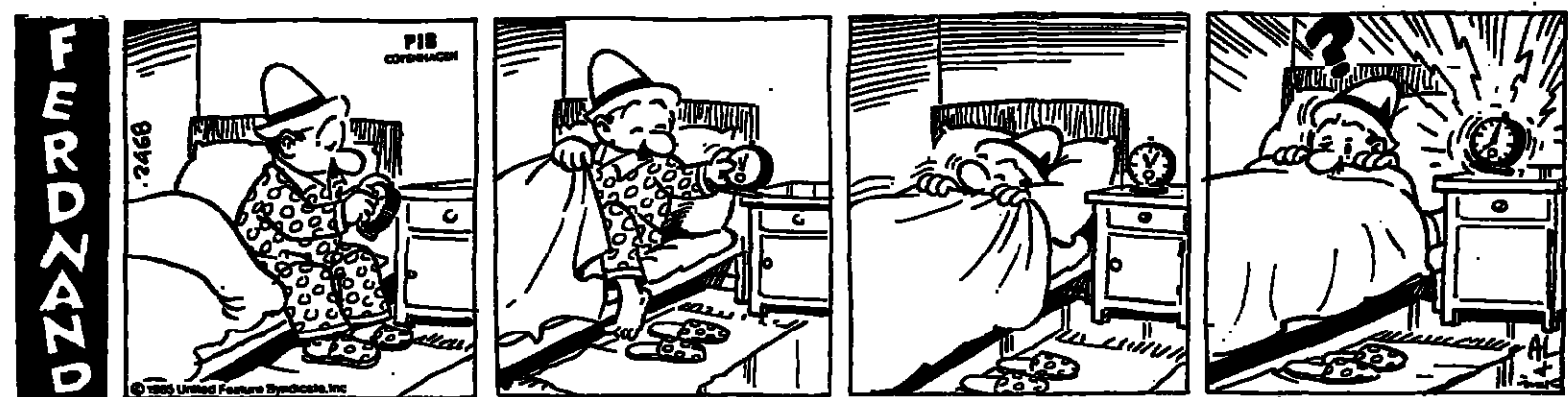
By GREER FAY CASHMAN. Israel is safe to visit, the British publication *Travel News* informed its readers last month. The magazine came to the conclusion in one of its weekly surveys of recommended travel destinations among travel agencies. The survey was conducted for an unidentified client of the publication.

ANAT YACOBI, 27, has been appointed public relations manager of the Avia Sonesta Hotel, which is located in the disputed Taba area. Born in Kiryat Bialik, Yacobi has a degree in social work from Tel Aviv University after completing her army service. While in the IDF, she was an officer, and before taking up her present position, worked as an air hostess.

NATOUR, which is rapidly expanding its operations, has appointed David Heimowitz, 37, as director of its overseas ground services division. He replaces Danny Keller who has resigned. Heimowitz has previously worked in both the hotel and tour operation industries.

LOANS DUE. — More than 25 countries are delinquent in their payments to the U.S. government's Export-Import Bank and owe the financial institution almost \$2.7 billion, according to an annual report issued this week.

Brazil is the biggest delinquent debtor, according to the report. At the end of last September, the country was more than 90 days behind on an \$89.28 million payment.



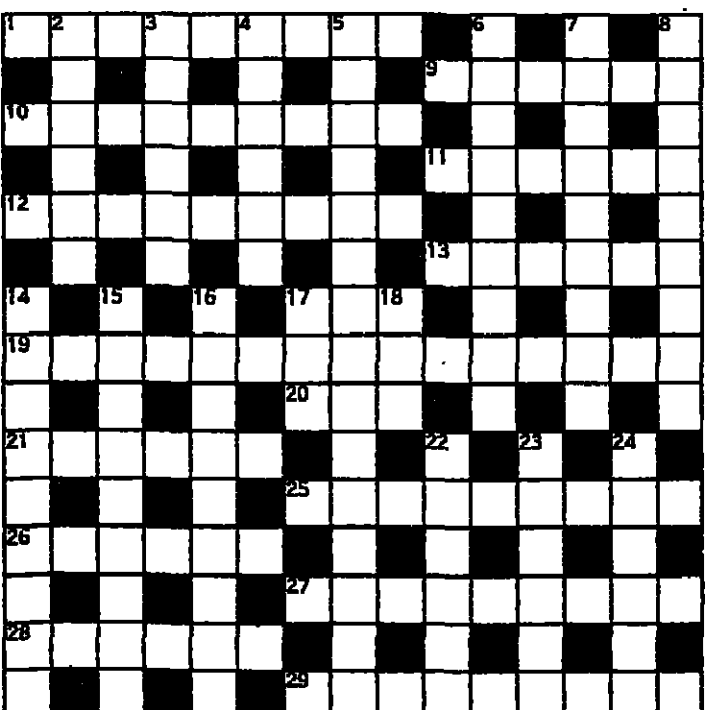
ONE-ON-ONE CROSSWORD

ACROSS

- 1 City area to blast outside of cell (9)
- 9 Repeat that is a bit corny (6)
- 10 How they play to the factory whistle? (5,4)
- 11 Acrimony one has to stomach (6)
- 12 Agreeable German vehicle and a hard wood (9)
- 13 Have faith in direct reform (6)
- 17 Namely one left out in a book of the O.T. (3)
- 19 Certainly makes no bones about holidays? (6,2,2,5)
- 20 Neck-warmer given a hungry graduate (3)
- 21 Adopt a policy against one giving nurse trouble (6)
- 25 Mouths filled with chopped suet and heavenly butter (9)
- 26 Glaring mistake of a vociferous little monkey (6)
- 27 Got round in the finish (9)
- 28 Anxiety aroused by Severn crossing (6)
- 29 Gentle car adapted for the right figure (9)

DOWN

- 2 Gleeful, conceivably, as Beethoven's Ninth is called (6)
- 3 Tree a poor actor Used to be in Rutland (6)
- 4 Being virulent makes all the difference (6)
- 5 Refuse to tolerate such a poppycock (5,2,6)
- 6 Rockless road speed shows his character (9)
- 7 Oddly it's downright defeat to be so beaten (3,4,2)
- 8 Bring back checks on the gallery (9)
- 14 Sport that's killing, it is said (6)
- 15 Bird making men of figures so careful (9)
- 16 Dog from which an owner may expect some return (9)
- 17 Object to sail (3)
- 18 Girl taking part in the National (3)
- 22 One whose lawful pursuit is just about right 1 find (6)
- 23 Where to locate a gun firm in a Powys town (6)
- 24 Give information about meat (6)



GENERAL ASSISTANCE

EMERGENCY PHARMACIES

Jerusalem: French Hill, French Hill commercial centre, 810955; Balsam, Salah Eddin, 272315. Shu'fat, Shu'fat Road, 810109; Dar Aldawa, Herod's Gate, 282058.

Tel Aviv: Bavi, 1 Uziel, corner Toladano, Arlosoroff, 76 Arlosoroff, 230746. Netanya: Geva, 14 Shai Hagal, 22695. Haifa: Hanassi, 33 Sderot Hanassi, 333312.

DUTY HOSPITALS

Jerusalem: Shaare Zedek (pediatrics), Hadassah Ein Kerem (internal, surgery, ophthalmology), Hadassah Scopus (obstetrics, orthopedics), Bikur Holim (ENT).

Tel Aviv: Rokah (pediatrics, internal, surgery), Netanya: Laniado

POLICE 100

Dial 100 in most parts of the country. In Tiberias dial 244444, Kiryat Shmona 4444.

FIRE 102

In emergencies dial 102. Otherwise, number of your local station is in the front of the phone directory.

FIRST AID 101

In emergencies dial 101 in most parts of the country. In addition:

Ashdod 41333 Ashkelon 23333 Bat Yam 561111 Beersheba 74707 Carmiel 598555 Dar Region 781111 Patah Tikva 9231111 Elit 7233 Hadera 22333 Haifa 512233 Sefed 30333 Tel Aviv 240111 Tiberias 80311

* Mobile Intensive Care Unit (MICU) service in the area, around the clock.

"Eran" — Emotional First Aid, Tel: Jerusalem 227171, Tel Aviv 281112, Haifa 672222, Beersheba 418111, Netanya 35316.

Rape Crisis Centre (24 hours), for help call Tel Aviv 234818, Jerusalem 246554, and Haifa 88791.

Jerusalem Institute for Drug Problems, Tel: 653626, 653602, 14 Bethlehem Rd.

The National Poison Control Centre at Rambam Hospital, phone (04)28205, for emergency calls, 24 hours a day, for information in case of poisoning.

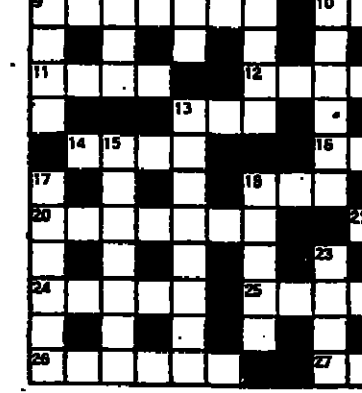
Kupat Holim Information Centre Tel. 03-433300, 433500 Sunday-Thursday, 8 a.m. to 8 p.m., Friday 8 a.m. to 3 p.m.

FLIGHTS

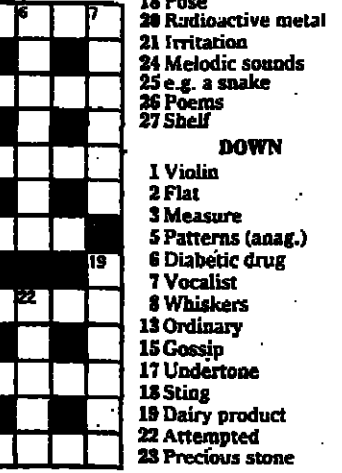
24-Hours Flight Information Service: Call 03-8712484 (multi-line). Arrivals Only (Taped Message) 03-381111 (20 lines).

QUICK CROSSWORD

ACROSS
1 Young mare
4 German beer mugs
9 Varied
10 Fire-raising
11 Flower



DOWN
1 Violin
2 Flat
3 Measure
5 Patterns (anag.)
6 Diabetic drug
7 Vocalist
8 Whiskers
13 Ordinary
15 Gossip
17 Undertone
18 Sting
19 Dairy product
22 Attempted
23 Precious stone



Eyes roll as Rolls rolls — in publicity role — on Israeli streets

By GREER FAY CASHMAN

Jerusalem Post Reporter

"Shalom Rolls-Royce!" yelled the

Egged bus driver, leaning out of the window to take a closer look as he pulled up for a red light at Jerusalem's King George-Hillel Street intersection.

The chauffeur-driven white Silver Shadow II, streaked with two royal red stripes, was parked outside the Ministry of Tourism. Inside, sat Avraham Sharir, who became justice minister last week, and Peter Crouch, executive vice president of Budget Rent-A-Car International.

Sharir wasn't going anywhere. He was just using the car's Motorola Standard Cellular Phone to call Budget International President Morris Belzberg in Chicago. It was a call worth making. Belzberg pledged to double Budget's Israel promotion budget from \$250,000 to \$500,000.

The Rolls, a rare sight in Israel, was put at Budget Israel's disposal starting last week by Budget International for three months to celebrate the fifth anniversary of Budget's operations here.

During the Rolls's temporary residence in Israel, it will be used in Budget's new tourism promotion campaign "A King for a Day."

Final details of the campaign have to be ironed out with El Al and the Dan Hotels corporation, but the general idea is that once a week for 12 weeks, El Al will upgrade to first class one of its economy class passengers travelling from Paris, New York or London, at no extra charge.

The passenger will be met at Ben-Gurion Airport by a uniformed chauffeur and whisked off in the Rolls-Royce to the Royal Suite at Jerusalem's King David Hotel.

Investment Opportunity: AUSTRALIA

A large, old established, Australian company is now distributing Israeli, advanced — technology products, and seeks to increase its product and investment range.

Quick references: P. Kotzler
Israel Consul for Economic
Affairs, Sydney

Interested manufacturers and inventors should contact:

Gloss Technology Limited
P.O. Box 682,
Queen Victoria Bldg.,
Sydney, Australia 2000
Tel. 02-267-9422 Fax: 02-267-3831
Telex: 02-71076

MARKET PLACE

AVI TEMKIN

Banking and inflation

Bankers should love inflation. At least that is the main conclusion emerging from a report recently published by the Research Department of the Bank of Israel. According to Ariel Marom, who studied the effects of inflation on the Israeli banking system, inflation alone accounted for about 80 per cent of the sector's growth between 1975 and 1982.

In terms of relative size, the Israeli banking system has few competitors. In 1982, its share in the gross national product reached 5 per cent, compared with 4 per cent for West Germany and 2.6 per cent for the U.S. Between 1970 and 1982 the share of the banking system in the GNP rose 9.4 per cent, far more than almost any other sector in the economy.

Inflation makes the public more dependent on the banking system. As everyone tries to protect their savings and money from the inroads of price increases, transactions and dealings involving the banking system grow increasingly frequent. That means the economy must devote greater resources to the banking system to enable it to cope with the heightened demand for services.

From the point of view of the economy, the resources transferred to the banking system represent a cost, since they could have been invested in other sectors, directly linked to production, exports or social welfare. According to Marom, the increase in the banking sector's size, due to an annual inflation in excess of 10 per cent, cost the economy some \$400 million, for the years 1980 to 1982, or some 2.25 per cent of GNP. There would have been 6,000 fewer employees in the banking system for 1980-1982 had inflation been 10 per cent or less annually, the report says.

Marom's estimates for 1985-1982 are even more striking. The resources "wasted" in enabling the banks to cope with the consequences of inflation totalled about \$2 billion in cumulative terms, equivalent to about 12 per cent of Israel's 1982 GNP. The report states that some 30,000 man-years went into making the banks fit for inflation.

Furthermore, none of these calculations takes into account developments during 1983, 1984 and the first part of 1985, when inflation doubled and almost tripled. It can be safely assumed the cost to the economy from the rise in inflation were no smaller than those estimated by Marom for the previous years.

Marom says the pace of inflation accounts for two-thirds of the "inflation effects" on the size of the banks. The other third is accounted for by fluctuations in the pace of inflation, which increase the public's uncertainty and fuel its demand for hedging. Inflation not only went up from the end of 1983 to mid-1985, but the fluctuations in its pace were greater, thus magnifying its costs to the economy.

In addition, one must remember the tremendous cost to the economy of the bank shares arrangement, which, at least indirectly, can be linked to the inflationary process that culminated in the October 1983 stock market crash.

The key question, of course, is whether the process is reversible. In other words, what will happen to the banking system if the inflation figures of the recent months become a permanent feature of the economy? Marom is careful to point out that no conclusion about reversibility can be drawn from his study. Economic processes are seldom reversible. But, if inflation does stabilize at current levels, or even goes down, there will be a need for such an overgrown banking system. Bank branches will be empty, manned by a large contingent of bored clerks.

Power station being used to fuel desalination plant

Jerusalem Post Reporter

An extra one million cubic metres of water may sound like the proverbial drop in the bucket, compared with Israel's overall water needs, but that is the amount to be provided over the next four months by the water desalination plant in Ashdod. The plant, attached to the Ashdod power station, will start temporary commercial production this week, according to the Energy Ministry spokesman. The \$20 million facility was set up six years ago to be used mainly as an experimental project funded jointly by the U.S. and Israel.

An unusual combination of circumstances led the ministry to conclude the plant could now be commercially viable. With oil now cheaper than coal, the coal-fired power plant at Hadera is being used less, while the use of oil-fired power plants like Ashdod is growing.

Since the Ashdod plant is now being run at night, this makes it possible to use the waste heat from the plant to desalinate water at a reasonable cost. The higher cost of water due to the drought also makes the plant more competitive. The ministry has decided to sell the water at a price of 30 cents a cubic metre, the going rate in the south.

Once wage pact is reached Histadrut ready to sign new package

By ROY ISACOWITZ
Post Labour Reporter

TEL AVIV. — The Histadrut would be interested in signing an agreement to ensure continued economic stability once wage agreements in the public and private sectors had been concluded, a senior Histadrut source said yesterday.

The makings of a new economic package deal have emerged in intensive, behind-the-scenes meetings recently between Prime Minister Peres, Finance Minister Moshe Nisim and Histadrut Secretary-General Yisrael Kassar. However, the contacts have not yet produced "any practical results," the source said.

The thrust of the discussions has been the maintenance of wage and price stability, and of a stable exchange rate after the current economic stabilization programme expires at the end of the year.

Histadrut Trade Union Department Chairman Haim Haberfeld, who has participated in the top-level contacts, said yesterday that continued price and exchange rate stability was "entirely in the workers' interest."

That interest has "guided the negotiations" for public and private sector wage agreements, Haberfeld said.

A national stability agreement would allow the Histadrut to retain its prestige while relinquishing most of its demands for wage increases. The Histadrut's demands have met with strenuous opposition from the public and private employers during the current wage negotiations.

Meanwhile, Treasury officials in Jerusalem said they could accept the idea of a new package deal for the economy, if the Histadrut agrees to drop its demands for wage increases and commits itself to a policy of wage restraint.

They stressed the idea of an accord on prices, wages and the rate of exchange had not been discussed by top decision makers at the Treasury, but had been raised only at the negotiations table with the Histadrut at the level of officials.

RACISM BILL

(Continued from Page One)

Earlier, when Kulas presented the bill for its second reading, he noted the three main changes the committee had made in the previous version of the bill:

First, the bill now requires intent to incite to racism, whereas under the previous version, the publication of something "likely to incite racism constituted adequate grounds for prosecution."

Second, the definition of racism now speaks of the persecution, degradation, etc., of a group "on account of its colour, racial affiliation, or national-ethnic origin." The old definition was "...on account of its racial affiliation, nationality, or religion."

Third, a new clause was added that excludes from the scope of the law the publication of something "that aims at preserving the character, uniqueness or worship of a religion, provided that this was not done with the object of inciting to racism."

Kulas quoted former justice minister Moshe Nisim, who said, when he presented the bill in May 1985, that its main purpose was educational: to give clear expression to the Knesset's conviction that racism is not to be tolerated.

Passage of the bill would not greatly change the existing legal situation, Nisim had further said. Kulas agreed, adding that while the bill would not solve all the problems presented by the Kahane phenomenon, it was "one layer in our fight against him and it."

It was important to pass the bill before the Knesset recessed, Kulas said, because of the baseless view that failure to do so would indicate a disinclination to act against racism.

Members who had registered minority amendments—mainly from the left opposition—then explained them. Shulamit Aloni (Citizens Rights Movement), for example, said that the change regarding "preserving the character of a religion" itself constitutes incitement to racism.

Kulas then requested that the vote be deferred to enable the Law Committee to meet, with the object of changing that clause and another, to achieve a greater consensus for the bill.

Speaker Shlomo Hillel then declared a one-hour recess, but it was only an hour and a half later that the House was reconvened, and then to debate other matters, since the Law Committee had not yet reached agreement.

When the Alignment's Abba Eban heard that Kahane intended to vote for the anti-racism measure, he said to *The Jerusalem Post*: "It's like Casanova voting for the Seventh Commandment."

EC TEXTILE PRODUCERS condemned the Multi-Fibre Arrangement renewed last week in Geneva, arguing that the treaty holds no new benefits for industrialized countries.

In a joint communiqué, Cominterfil, a coordinating committee for EC textile industries, and the European Association of Clothing Industries, condemned the lack of concessions by the third world textile exporters in the renewal agreement, which governs exports of textiles and clothing from developing countries to the industrialized bloc.

The officials said they would be prepared to grant wage increases of no more than 1 to 2 per cent, which would come from boosting the pay of lower wage earners.

Haberfeld and Treasury Director Hillel Duda are due to meet today to continue their negotiations. Haberfeld said yesterday that the wage component of the wider framework agreements could be wrapped up within a few days.

In the public sector, the Histadrut is likely to settle for grade promotions for most public-sector employees, staggered over the next year. That would amount to an average wage increase of some 3-4 per cent increase, as opposed to the Histadrut's original demand for a 6 per cent increase.

The teams currently negotiating non-wage issues, such as a shortened work week, professional retraining and pensions, would continue their work after the signing of the wage component, Haberfeld said. The unions, he added, would not commit themselves to observing industrial calm until all the items had been agreed.

Meanwhile, three separate labour sectors have declared labour disputes on the grounds that their respective management refuse to discuss wage demands or honour agreements. The declarations enable the workers to begin industrial action within 14 days.

The construction workers maintain that the Contractors and Builders Association refuses to pay a wage supplement mandated in the 1984-1985 work agreement. The First International Bank works committee, meanwhile, declared a dispute following the refusal of the management to pay compensation for the change in the bank's ownership.

In declaring its labour dispute yesterday, the Pharmacists Association cited what it said was the refusal of the Treasury and the public-sector employers to hold negotiations with the workers on the implementation of the wage agreement signed last year.

Tel Aviv Stock Exchange

MARKET STATISTICS

Indices:

General Share Index	113.72+0.50%
Non-Bank Index	136.40-0.34%
Arrangement	103.84-0.88%
Insurance	149.89-2.03%
Confidential Services	158.15-0.53%
Real Estate	188.83-0.86%
Industrial	124.56-0.40%
Textiles	150.66-0.23%
Metals	118.95-1.18%
Electronics	91.77-0.66%
Chemicals	131.33+0.33%
Industrial Invest.	115.03-1.19%
Investment Cos.	136.41+0.07%
General Bond Index	110.24-0.28%
Index-linked Bonds	111.36-0.28%
Fully-linked	112.83-0.28%
Partially-linked	110.48-0.28%
Dollar-linked Bonds	97.01-0.28%
Short-term 0-2 yrs	108.07-0.21%
Medium-term 2-5 yrs	108.07-0.21%
Long-term 5+ yrs	105.46-0.32%

Turnovers:

Shares—total	NIS 5,016,000
Arrangement	NIS 2,388,500
Non-bank	NIS 2,617,500
Bonds—total	NIS 6,285,700
Index-linked	NIS 4,273,700
Dollar-linked	NIS 2,388,500
Treasury Bills	NIS 9,937,200

Share Movements:

Advances	107 (123)
Declines	5 (15)
Unchanged	2 (2)
Declines of 5%+	28 (20)
"sell-off" only	123 (123)
Trading Halt	38 (46)

Bond Market Trends:

Index-linked	Mixed to 0.5-1%
3% fully-linked	

SELECTED PRICE QUOTATIONS

Name	Price	Volume	% CHANGES
Meir Ezra	4980	68	+1.9
Supertel 2	5181	830	+0.6
Delek	2890	1947	—
Lightstar	12584	b.o.1	+5.0
Cold Storage	2198	222	—
Dan Hotels	3240	150	+0.0
Yarden Hotel	3181	101	+0.2
Hilton	13850	13	—
Team T	1720	30	+1.2

Commercial Banks

(not part of "arrangement")			
Mattison 1	1050	1112	+3.4
General non-arr.	26450	90	-0.4
First Int'l	3580	2017	—
FRB	3888	2048	—

Commercial Banks

(part of "arrangement")			
IDB	79080	843	+1.1
Union 0.1	58790	115	+1.4
Discount	101000	42	+0.7
Mishari	53790	1358	+1.2
Hapoelim r	136980	37	+1.0
Leumi 0.1	34250	1538	+1.0
Fin. Trade	46270	—	—

Mortgage Banks

Leumi Mort. r	5000	230	-0.8
Dev. Mort.	1485	1285	+3.5
Mishari	2240	184	-0.7
Tefahot r	13200	20	+2.8
Morav	5000	515	-2.0

Financial Institutions

Agrio C	42897	—	+0.5
Ind. Dev. DD	67072	b.o.1	+5.0
Ciel Leasing 0.1	13400	87	-1.0

Insurance

Ararat 0.1 r	852	298	-5.3
Hessner	481	9043	-1.8
Phoenix 0.1	708	1585	-2.9
Hemashmar	6380	—	—
Menzel 1	7800	35	-8.2
Sahar	4031	150	+2.1
Zion Hold. 1	8553	3	—

Real Estate, Building and Agriculture

Azrieli	908	9324	-1.1
Elia	530	4257	—
Africa Int. 0.1	33880	111	+0.1
Dankner	4070	220	-2.6
Prop. & Bldg.	2680	740	—
Bayfield 0.1	4340	1643	-7.4
ILDC	49200	206	—
Raseco r	9696	351	—
Mehadrin	8880	14	—
Hadarim	1125	1258	-0.9

Industrials

Dubek b	3420	249	-0.9
Pri-Ze 1	1712	448	-5.4
Sunfrost	7770	129	—
Elita	13650	30	-1.0
Adgar	1087	1087	+3.7
Argaman r	12400	—	—
Delta G 1	4100	882	+1.9
Maquetta 1	25400	11	-2.3
Elpat	11750	27	-2.1
Pogiat	3130	588	—
Schoeller	12510	6	-0.8
Rogolun	3810	783	—
Urdan 0.1 r	8700	44	-1.5
Is. Can. Co. 1	1245	4257	—
Zion Cables	2500	2138	-5.8
Packer Steel	7290	168	+2.8
ELIC	374500	5	-0.4

Oil

Elron	302500	1	-0.8
Arit	27500	327	-94.6
Ciel Electronics	2100	400	-2.8
Spectronix 1	2001	2013	—
T.A.T. 1	3720	507	-8.0
Advestrain 1	1680	232	-2.4
Agan 5	18990	40	+1.0
Alliance	3051	226	-1.6
Dexter	3370	120	+1.7
Fertilex	4988	33	—
Haita Chem.	575	1385	—
Teva r	58800	567	+1.7
Dead Sea r	15850	1644	—
Petrochem.	575	18987	—
Frutaron	3280	122	-6.7
Neca Chem.	11050	50	—
Hadera Paper	202150	57	—
Central Trade	8610	106	—
Koor p	4750000	0.5	—
Ciel Inds.	1270	8882	-2.3

Investment Companies

IDB Dev. r	3540	1200	—
Elron	2740	1120	+0.4
ARF	1258	no trading	—
Galelet	1258	no trading	—
Israel Corp. 1	7970	651	+1.3
Wolfson 1 r	112500	—	—
Hapoelim Invest.	5300	826	—
Leumi Invest.	—	no trading	—
Discount Invest.	2255	1647	—
Mizrahi Invest.	15357	14	-2.2
Ciel 10	792	4591	-4.0
Landeco 0.1	3598	s.o.1	-6.0
Pama 0.1	9030	150	-4.9

Oil Exploration

Pez Oil Expl.	12800	28	-1.8
J.O.E.L.	1440	252	-1.4

Abbreviations:

a.s. sellers only	b. buyers only	r. registered
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CLASSIFIED

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SERVICES

VISITING MASSAGE service to your home or hotel. 02-226899.



This British-made electric van is used by the Israel Electric Corp. to transport workers to and from its plants. (Shlomo Shoham)

OIL

The deal marks a compromise between radical states—Iran, Libya and Algeria—and the powerful Persian Gulf producers—Saudi Arabia, Kuwait and the United Arab Emirates.

The radicals had demanded deep cuts in production to force prices to the official Opec level of \$28 a barrel, and had rejected all other approaches as meaningless.

The Gulf states backed a campaign last December to recapture a "fair share" of the world market from non-Opec producers that emerged during the price booms of the 1970s.

To force their position on the radicals, the Gulf states raised production over the past year.

The new plan removed one of Opec's most intractable problems, which has blocked previous efforts to agree on production limits: the six-year Iran-Iraq war.

"No one else could have proposed this plan and had it taken seriously," one senior oil analyst in Geneva said. "But with Iran making the proposal it became credible that a compromise, however brief, could be made by the two warring Opec states."

Analyst Charles Maxwell of brokers Cyrus J. Lawrence said if Opec members honoured the agreement

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New Soviet gambit

AFTER 19 years of almost total diplomatic rupture, Israel and the Soviet Union just may be on the way to the restoration of at least a measure of normality in their relations.

Suitably enough it was the Kremlin, initiator of the post Six-Day War break, which made the overture to Jerusalem — for a Soviet consular mission to be allowed to check up on Soviet Russian Church properties in Israel. The request was granted in principle, but on condition that practical arrangements be worked out in preliminary talks. That, in turn, was granted by the Soviets.

In these talks, the Israeli delegation will insist on its right to raise any relevant matters, both consular and non-consular, that are of interest to this country, and will call for a Soviet *quid pro quo* in the form of permission to an Israeli consular mission to visit the Soviet Union. These Israeli intentions have been communicated to Moscow, and the response is not reported to have been negative.

What truly matters, however, is the follow-up, if there be any, to such an exchange of consular missions. The most likely prospect is that indicated by the Soviet Foreign Ministry's spokesman on Monday when announcing that preliminary talks would open in Helsinki on August 18, namely that the eventual opening of consulates by the Soviet Union and Israel in one another's territory "is possible."

A consulate is quite a few notches below an embassy on the diplomatic scale. But that is probably all that can be said at this time.

The new Kremlin leadership under the "reformist" Mikhail Gorbachev has from the start shown interest in gradual improvement in ties with Israel. This was apparently expected to facilitate the resumption of detente with the U.S., and to help the Soviet Union recapture a position of some influence in Middle East diplomacy that could be used as a brake on trigger-happy Arab rejectionist allies.

The Arabs are reported to have been briefed in advance about the Soviet consular move, and were doubtless advised not to be unduly alarmed. But in Damascus and Tripoli it must have been read as proof of serious Soviet deviation from the traditional course of tolerating any manner of belligerence toward Israel even if it threatens the Soviet Union's own peace. And doctrinaire Soviet expansionists, who take the outlawry of Israel as an article of communist faith, could only be scandalized.

Mr. Gorbachev's present initiative may have been foreshadowed in his reply, at a press conference in Paris, on October 4 of last year, to a query by a Kol Yisrael reporter about the chances of the Soviet Union's renewing ties with Israel, which apparently did cause a domestic scandal. Recalling that the Soviets had backed Israel's establishment, and continued to recognize it, Mr. Gorbachev said normality would follow a comprehensive Middle East peace settlement. Interestingly, the Soviet leader wholly ignored the IDF's air raid on PLO bases in Tunis only three days earlier.

But the Soviet rejectionists would not ignore it. Their barely concealed attack on him came within less than a week, in the form of a letter in *Pravda Ukrainy* attributed to a "Soviet worker in Tunis." It described Israel as a foe of civilization. Thus chastened by the ferocity of the internal opposition, Mr. Gorbachev himself, in an interview with *L'Humanité* last February placed Zionism into the pale of civilized society.

The difficulties Mr. Gorbachev may have had in getting approval for even the mild revision of policy on Israel he originally broached early this year — it was shelved for a while due to the U.S. raid on Tripoli — will not, however, be taken in this country as warranting a particularly effusive reaction.

Over the years Israelis have learned to live without a Soviet embassy in the land, and not miss it much. The fact that Soviet foreign ministers have ceased to threaten Israel with self-destruction as a result of its "aggressive" Arab policy, is not viewed as any great favour. What does concern Israelis is that the Soviet Union remains the munificent arms supplier of the most *revanchist* of Arabs — and that, after briefly opening its doors to the exodus of home-sick Jews, it shut them tight.

A Soviet consular office in Tel Aviv, Premier Shimon Peres said in so many words yesterday, would not represent even the minimal degree of normality — let alone fairness and balance — in relations with Israel that is needed to qualify the Soviet Union for a role in the launching of Middle East peace talks. And nor could it make up for the failure to let out the hundreds of thousands of Soviet Jews wishing to come on aliya.

But while no cause for celebration, the Soviet move was good news. It represented, Mr. Peres said, another step towards the total lifting of the "political siege" around Israel. As such it should indeed be welcomed.

PERES

(Continued from Page One)

take place on August 18-19. The Israeli delegates to the talks, who will be "middle-level" officials, are expected to be named today.

Peres said yesterday that the Soviets have transmitted to Israel the names of their delegation members to the Helsinki talks and that Israel will shortly transmit the names of its delegation members to Moscow.

Israel TV last night said the Israeli delegation would be headed by Yehuda Hiram, the director of the Foreign Ministry's Eastern Europe Department, and by a legal expert, Yitzhak Shelef.

Moscow Radio yesterday, for the first time, announced the news of the impending consular talks in Helsinki, stressing that they were to be low-level.

Meanwhile, it is understood that Polish officials will arrive in Israel and Israeli officials in Poland in September to open interest sections in Tel Aviv and Warsaw.

Yesterday a sharper controversy broke out within the Likud over the Helsinki talks.

Minister without Portfolio Moshe Arens sharply criticized Israel's agreement to participate in the upcoming talks. But Shamir defended the decision to hold talks without setting prior conditions.

Arens, speaking before American Jewish student leaders at Ness Harim in the Jerusalem Hills, said that Israel should not hold the talks unless the Soviets first release Ida Nudel, Yosef Begun and all the other Prisoners of Zion.

Arens, in a radio interview later, said a decision to hold talks should have at least been brought before the

inner cabinet, if not before the full cabinet.

Arens also proposed that the government appoint a special minister to be responsible for directing the struggle for Soviet Jewry.

Shamir, in a radio interview, said that had the matter been brought before the inner cabinet, the government would not doubt have reached the decision to go to the talks without setting preconditions.

WALTER RUBY adds from New York:

Reaction in the Soviet Jewry movement here to the Helsinki talks was sharply mixed yesterday.

Spokesmen for Jewish "establishment" organizations with close ties to the Israeli government expressed support for the talks, while "activist" groups that have frequently clashed with the Israelis on Soviet Jewry in the past said they agree with Anatoly (Natan) Shcharansky that improvement in the condition of Soviet Jews should be a precondition for Israeli-Soviet discussions.

Morris Abram, president of the National Conference on Soviet Jewry, and chairman of the Conference of Presidents of Major American Jewish Organizations, commented, "I agree with Shcharansky that there should continue to be strong public pressure on the Soviets to increase emigration, but I don't regard holding these consular talks as appeasement. It is an important gain for Israel to have diplomatic relations, even with states Israel deeply disagrees with, and I don't think you can hold diplomatic relations hostage to any one fact (such as the state of Soviet Jewry)."

Israel's problem: failure to change

Haim Sadan

ISRAEL IS a land of paradox. It offers what is basically a very comfortable and attractive environment rich in Jewish life and essentially free of many of the socially undesirable aspects of the Diaspora, such as assimilation, drugs and violence. Yet, paradoxically, it is now when all seems so rosy that Israel finds itself, unlike in the past, almost completely incapable of aiding any of the Jewish communities in distress, be it South African, Persian, Argentinian, Russian or culturally, the American. Indeed Israel itself faces a greater threat to its future than ever in the past.

The seriousness of the present situation is evident in the mounting tide of emigration and the refusal of almost all of those Jewish communities in distress to look upon Israel as a new home. Immigration today is lower than in the days of the British. Clearly something very fundamental has gone awry.

The fundamental problem is that the Jewish world has changed radically in the last 40 years but Israel's policies and its world view have not. Jews in and out of Israel are today all of the middle class. There are no more Jewish refugees. The Israeli bureaucracy and the fund-raising organizations are geared for a world of the past. The social-worker mentality can no longer substitute for private investment, free markets and competition. The suspension of the laws of economics has become a greater threat to the future of the Jewish State than Arab hostility. It is forcing Israelis to leave and preventing Jews of the Diaspora from coming. Jews in today's distressed communities abroad have the ability to care for themselves, to find a new home elsewhere where their capital and their abilities are in demand and their freedom to be economically self-sufficient is respected. This is also true of Israelis who are leaving.

Only private investment can generate economic growth and jobs. And despite what appears on the surface as a desire or willingness on the part of the Israeli government to encourage private investment through special legislation, pri-

cannot be purged and diligence and initiative cannot be rewarded. Wages are fixed and equality is a principle of labour policy.

If an entrepreneur gets past all these obstacles and manages to earn a profit, or even if he is losing money, he faces a myriad of taxes that are almost confiscatory. These taxes include the employees' withholding tax, fees to the Histadrut, value added tax (15 per cent), social security (20 per cent), income tax (61 per cent), property tax, inventory tax and local tax (armona), all of which increase the price of the producer by at least one-third. Israeli workers receive unusually low wages but labour costs the employer five times that which the worker takes home. In effect his labour cost approaches that incurred in significantly more productive economies. In the race for markets the Israeli producer guns with an especially heavy tax burden on his back. That we have exports at all is nothing short of a miracle. There are companies in relatively small and undeveloped nations such as Holland and Switzerland, whose annual sales exceed Israel's total exports.

THE PRODUCER in Israel faces rigidities all along the line. Both prices and wages are not his to determine and import and export licences are required and not easily obtained. Interest rates at commercial banks are onerously high (45 to 80 per cent) as dictated by the government. In effect the Israeli government and not an Arab boycott hampers Israeli industry and has all but foreclosed the possibility of private enterprise and investment.

It is clear that under the present economic system Israel cannot hold on to its more energetic and creative citizens, nor to its aspiring middle class. And it cannot attract the middle class of other Jewish communities. The result is a stagnant and eventually a shrinking population. This is the greatest encouragement possible to those who oppose Israel and thus the greatest threat to the future security of the nation. It also

If all goes smoothly each agency can take about three or four months which adds up to nearly four years. A difference of opinion can add a year or two or can scuttle the project entirely.

The investor is tossed about on a sea of bureaucratic confusion and hostility. The lawyers' fees continue to mount as earlier authorizations expire and extensions can be as difficult to obtain as the original authorization. Changes in the original plan are opposed as a rule and can bring the entire undertaking to a halt.

After it is established the enterprise faces labour laws that all but preclude effective management. In practice employees cannot be dismissed, assigned a different task or asked to change their venue. Sloth

cannot be purged and diligence and initiative cannot be rewarded. Wages are fixed and equality is a principle of labour policy.

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Dry Bones

I SAY
WE ACCEPT
CONSULAR
RELATIONS

ONLY UPON
THE RELEASE
OF ALL THE
PRISONERS
OF ZION!

MAKE DEMANDS
ON THE
RUSSIANS?!

PLAY TOUGH
WITH THE
SOVIETS?!

YOU'RE AS
ARROGANT AS
SHCHARANSKY!

WHY
THANK
YOU?

means that Israel cannot be of assistance to other Jewish communities.

STEPS CAN be taken to improve this situation. Some are obvious and some are daring. Israel must cease to be an object of charity. Unearned revenues at the disposal of the political establishment breeds contempt for enterprise. And no one will invest in a charitable institution. More important, as a general principle, the government should exclude itself from commerce. This will require the sale of over 100 government-owned companies. Almost all are losing money and many are effectively bankrupt. They are being kept afloat at the expense of the public purse. The revenues received from the sale of these mismanaged government-owned companies will help to reduce the government's immense debt — domestic and foreign. It will also reduce the need for the present tax burden.

Income tax accounts for about 20 per cent of the government budget. By contracting the government role in commerce and reducing the regulatory bureaucracy the income tax can be all but eliminated. The state's revenues can focus on sales tax

rather than income tax. The absence of taxes on foreign bank accounts has attracted to Israel over \$7 billion. This is a small indication of the potential effect of the elimination of income tax on private investment. Without income tax, labour productivity will rise through the stimulus of capital investment and higher wages. The wage bill of Israeli producers will decline and Israel's goods and services will become price competitive in the world market.

This is not a utopian plan. It is merely a variation on what is common practice in successful Western economies. In view of the risks that we are willing to take to achieve peace, it seems hardly a challenge to adopt tested economic policies in order to stave off emigration and encourage immigration. We will then have a vibrant and growing nation.

The writer served as economic adviser to the U.S. government, and several major American corporations. In Israel, he served as adviser to the ministries of absorption, education and health. He is the author of several books on economic policy.

The South African housing advantage

David Geffen & Ira Cohen

IF YOU ARE a Western olem and want to buy an apartment you had better be from South Africa or else your mortgage and your flat size will be limited. This cry is being heard in Western olim circles as they learn all the facts pertaining to mortgages which are available to South African olim but not to them.

This action, creating barriers among olim, was taken by a high-powered ministerial committee chaired by the prime minister. Participating with him were the absorption minister, the housing minister, representatives of the Treasury and the chairman of the Aliya Department of the Jewish Agency.

Such steps are not unknown in Israeli history. Memories, however, are very short and earlier decisions are often forgotten.

In 1951, when AALI was formed, the first article on the organization in *The Jerusalem Post* stressed: "Above everything else comes the question of housing, which is the first

problem tackled on a large scale by the new organization." Surely most of the Western immigrant associations included a similar concern with housing in their founding principles.

In March 1959, at the AALI national convention, Carl Alpert of Haifa, the national president of the organization, charged that "American immigrants were not benefiting from financial aid from the government and the Jewish Agency as are other immigrants and this prevented many from coming here." Lane excuses by Zalman Shragai of the Jewish Agency, Yosef Golin of the Interior Ministry and Haim Golan, head of the Western Immigration Department of the Jewish Agency, only proved that the discrimination existed, particularly in the area of housing loans.

Seven years later, in March 1966,

Prime Minister Levi Eshkol addressed the national convention of AALI in Haifa. He stressed that immigration from the West is a question of urgent policy. To this end, he said "housing mortgages, loans and other aid should be offered Westerners with a maximum of understanding and a minimum of bureaucracy." On the same occasion Eshkol made his now famous pronouncement on why Israel must encourage aliya from the free countries. "We do not want future historians to record," Eshkol noted, "that Jewry in our time created a state and lost a people."

TWENTY YEARS later, the State of Israel has grown in numbers but aliya from Western countries has continued to be minimal, in spite of a bit of a rise in the wake of the Six

Day War. Those olim who do come find that the platitudes of the prime minister and other government officials about wanting aliya from the West are basically meaningless.

Now, a new tack practiced in the Fifties has been reinstated. Now, in the words of Orwell, some Western olim are "more equal than others." South African olim surely have problems, but they are not the only ones. Studies show that one of the main reasons that olim from the West leave Israel is because they cannot get satisfactory housing. If top officials want to raise the level of mortgages and the size of apartments South African can buy, why not do it for all Western olim?

Let us review the situation of non-South African olim. We are restricted as to the size of the apartment we can buy to be eligible for government aid, starting at 85 metres for a family of 2-4. Apartments larger than 85 square metres,

up to a limit of 120 square metres, warrant a mortgage that is 10 per cent less at much more difficult payment conditions. For a two-sized apartment the South African family (2-4 members) will repay 44 per cent per month less for mortgages that are 10 per cent greater.

Besides being discriminatory and clearly unfair, the size restrictions have discouraged olim from purchasing apartments. The new mortgage programme, initiated in June 1986, was intended to end the backlog and overcrowding in absorption centres by providing increased mortgages. However, the size limitations have discouraged many Western olim from buying apartments. As long as these limitations exist, families will delay purchasing permanent housing that is small and unsuitable for growing families. Other families will not be able to afford to buy new apartments with non-preferred mortgages.

Let the same committee which gave South African olim their special terms widen its vision and increase the size limitations for all Western olim to 120 square metres. We believe that this realistic approach will stimulate aliya from the West and will help provide suitable solutions to the housing problems of olim already in Israel.

Dr. David Geffen is director of information services of AALI. Ira Cohen is coordinator of national divisions of AALI.

READERS' LETTERS

A DELICATE QUESTION

To the Editor of *The Jerusalem Post* Sir, — Your editorial "Step towards peace" (July 24) was somewhat perplexing. The article states: "...the PLO (has) failed to meet even the most minimal requirements for its admission to the peace process." In the very next sentence it continues: "The PLO's offer to endorse Resolutions 242 and 338 in return for Israel's acknowledgment of the Palestinians' right to self-determination — meaning their right to a state of their own — has long been rejected..."

Something both encouraging and disconcerting seems to have occurred. In the past, it used to be the PLO's refusal to endorse 242 and 338 which obstructed the peace process. It now appears that the PLO is offering us just that, but on condition that we acknowledge their right to self-determination. In other words, they are offering us mutual recognition, and we are rejecting this.

If this is indeed correct, it would lead to the delicate question: Who is now obstructing the peace process? ZEEV RAPHAEL

Haifa.

THE GSS AFFAIR

To the Editor of *The Jerusalem Post* Sir, — Once again, the Jewish people are satisfying their need for self-flagellation by broadcasting to the world the General Security Service affair.

That two Arab murderers were executed on the spot — with the blood of their victims still on their hands — would have surprised and shocked only a few. But Israel, with her compulsive pursuit of something called moral superiority, now exposes herself to the most unrelenting of her enemies worldwide, who will surely use this latest affair for all the mileage they can get out of it.

Good luck!

SIDNEY J. SILVIAN
Columbus, Ohio.

REDUCING CARNAGE ON THE ROADS

To the Editor of *The Jerusalem Post* Sir, — I wish to lay the responsibility for the continuing carnage on the roads squarely at the feet of the political echelons.

It has been proven that steps can be taken which significantly reduce the death toll. Until the beginning of this year, there had been a downward trend in accidents. The National Council for the Prevention of Road Accidents was responsible, among other things, for getting more police on the roads to enforce the law, and for improving the conditions of the roads.

And yet over the last six months, there has been a 13 per cent increase in the number of accidents. The relevant ministers, Haim Corfu of the Transport Ministry and Haim Bar-Lev of the Police Ministry, must explain the lapse and answer why, the measures which can reduce the death toll are not being taken.

In particular, Minister Corfu must be personally held responsible for not taking one step which could directly save hundreds of lives. He has consistently opposed the introduction of a law making it compul-

FAST DAY FOR THE HOLOCAUST

To the Editor of *The Jerusalem Post* Sir, — Paul Korda's letter of July 20 revealing that only one Nazi had been tried in Israel since the end of the Holocaust only brings shame to those who dispense justice here.

What brings shame to our spiritual rulers is that there is still no fast day for the Holocaust as against a secular remembrance day. Those wishing to fast any day of the Jewish year for those murdered in the Holocaust are still required by Halacha to make a private fast by making a mental resolution in the afternoon services of the previous day.

There is a group of Jews who do this on the third day of Av and fast for the Holocaust on the fourth day of Av. This was the date on which Maidanek concentration camp was liberated by the Russians and when the truth was revealed to the world in its full horror. It was also a time of hope because if one camp was liberated, more would follow. Because truth and hope are two of the main pillars of Judaism, this was deemed the suitable day. The fact that this falls in the middle of the Nine Days, the saddest days in the Jewish year, gives it an added dimension.

Any Jew wishing to fast on this day needs merely resolve to do so during the afternoon service the day before to meet halachic requirements.

M. MILSTON

Jerusalem.

ORTHODOX PREDICAMENT

To the Editor of *The Jerusalem Post* Sir, — Edward Grossman's interview of July 25 with Professor Alice Shalvi was a revealing picture of one human's predicament. Here we have an intelligent and enlightened woman, a respected academic, highly educated and an activist in many good causes. At the same time, she considers herself an Orthodox Jew. It is her Orthodoxy that causes her predicament. She cannot reconcile her enlightenment and Orthodoxy as it exists. She hopes that some day, the Orthodox establishment will see things her way, but she is well aware that there is virtually no chance of her hopes being realized.

Ironically, Prof. Shalvi has the solution in hand, but refuses or cannot acknowledge it. She told Gross-

Apparently Prof. Shalvi is unable to make the break. The Conservative Movement seems to be her natural home since it offers much of what she is seeking. Further, it seems to me that, as an enlightened person, she should be somewhat disturbed by the way in which fellow Jews in the Conservative Movement are treated in Israel. All the more reason for her to lend a hand to them.

Jerusalem. BERNARD COHEN

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